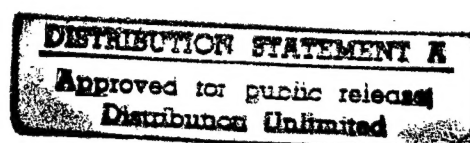


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Minister of Public Order on Democratization

91P20459A Tirana ZERI I RINISE in Albanian
3 Aug 91 p 2

[Interview with Minister of Public Order Bajram Yzeiri; place and date not given: "Democracy and Public Order"]

[Text] [ZERI I RINISE] It was a common desire on your part and on our part to meet with the readers of ZERI I RINISE. Do we want to begin the conversation with the question: "How have the forces of law and order greeted the process of democratizing the country?"

[Yzeiri] I wanted to meet with the readers of your newspaper for several reasons. Among these, I would like to mention that the youth has been the initiator of the democratization process and, as such, it must continue this process and not permit the attacks which individuals and groups of young people are carrying out against the system of democracy. The youth has strength which, together with the police force, which is generally young, can be placed in the service of the defense of the system, that is, of democracy. By means of this interview, I am calling on the youth and all readers of your newspaper to devote their maximum mental and physical effort to defending law and order and to defending democracy in our country, which has nothing in common with anarchy and crime.

The workers of the organs of public order, as members of society, are greeting the process of the democratization of the country with special interest. They are rejoicing and are ready to carry out their tasks and to assist in and make their own contribution to this process, although they are in a very delicate position in the relationship between the law, its violators, and the masses.

They have regarded and still regard this process with great hope and confidence because it will resolve the problems accumulated over the years. In addition to the other problems of our society, this process will resolve the problems of the police and will place the police worker in his proper place.

[ZERI I RINISE] What is the situation with regard to public order on the national level and what are the causes of crime?

[Yzeiri] Public order on the national level is a very serious problem. The serious attacks against law and order and the increase in crime have made life unsafe and have seriously disturbed the people's security, casting doubt upon the very existence and power of the state,

To illustrate my point I might mention that during the past six months, there were twice as many murders as in the same period last year; there were more than three times as many robberies and cases of breaking and entering into trade units. The crimes have been more numerous in Shkoder, Lezhe, Kruje, Tirana, Elbasan, Korce, and Vlore, and their vicinities.

Despite the fact that, on the whole, the increase in crimes is not reflected in the statistics—we are convinced that, for various reasons, many crimes have not been reported or have not been condemned by the citizens—we conclude, from the above examples, that crime has increased. Therefore, the public order, the citizens, and the state do not have protection and security. In addition to the crisis of confidence and the economic crisis, the people have a greater insecurity regarding their life and property, and this concern is justified.

One of the major causes of this situation is the extremely difficult economic situation and the fact that a large number of people have been unemployed for a long time. Citizens with low incomes, unemployed people, parasites, etc. are trying by the most varied means, dishonest, of course, to obtain profits. Stealing is the main means they use, not to mention robbery, fraud, and even subversion.

We believe that another cause is the psychological and political distortion and abuse in the name of democracy and human rights on the part of a number of untrained individuals. In the beginning, these elements were lumped together with those people who were speaking out and demonstrating for democracy. Hiding behind the latter, these elements carried out robberies, acts of arson, vandalism, and subversion, and attacks on the police, as if the police were responsible for the difficult economic situation.

It must be said that the state organs, the specialized organs, and the police forces did not react properly and forcefully against these phenomena which had nothing in common with the democratization process. Since the proper action was not taken, with the passage of time, these things took on the aspect of rights of citizenship.

Another cause of the increase in crime is the release, ahead of time and on conditions imposed by the courts, of a number of persons sentenced for theft, attacks against individuals, etc. Some of these people took up the route of crime once again and now they are beyond the control of the family, society, and the state.

The inoperativeness, for a long time, of the organs of power, organs of the state, the enterprises, the agricultural cooperatives, etc. has had a considerable influence on the increase in crime, especially, theft of property. For a long time, property was left at the mercy of fate and favorable conditions were created for these criminal elements to damage the state property of the agricultural cooperatives.

Our organs and the organs of justice—that is, the coercive power of the state—have not responded properly, with administrative and penal measures, in the face of the intensification of this antisocial and antistate activity. Indeed, it must be admitted that this coercive power has been liberalized, indirectly giving criminal elements the courage to act.

[ZERI I RINISE] Are not the police organs responsible for this situation? They are charged by law with protecting law and order. What do you think about this?

[Yzeiri] One of the causes of this situation is the improper operation of the organs of law and order. The fact that intelligence was collected on 60 percent of the crimes during the past six months and on 18-23 percent of the serious crimes indicates that the police have not been able, by means of intelligence, to prevent violations of law and order and crimes.

It must be said that the beginning of the process of democratization finds the police unprepared in every direction—legal, educational, organizational, technical, etc. The police force is fatigued by the extended shifts and the attacks, it is disillusioned regarding a number of problems, especially housing and other vital issues. Although it tried to master the situation it did not succeed. Being more concerned with protecting law and order and peace and quiet, it has neglected to discover and punish the perpetrators of the crimes. The few staffs and old structures which cannot handle the massive increase in crime have had an influence here, along with other things.

[ZERI I RINISE] In the press, there are reports on the work of the forces of law and order and on their indifference with regard to their job, but there is no mention of an intentional attitude of encouraging crime, an attitude which would be in conflict with democracy. What do you think about this?

[Yzeiri] The forces of law and order must look at, analyze, and respond to things as they really are and not as they should be. We say this because, often, the forces of law and order have to answer for and bear responsibility for these problems.

It must be said that it is true that the situation with regard to the police is disturbing and there are deficiencies regarding legality and organization, as well as a lack of trust, indifference, a feeling of fear, etc.

A person can be surprised but the police worker is a citizen of this society and, as such, he cannot stay apart from the phenomena which are noted within the society. If you add to this the living conditions in the unit and in the family, as well as the effects on his life, the situation becomes clearer. This situation was not created just now but years ago. It has reached its climax now!

I think that the responsibility for this situation is borne by the former leaders of the party and state who, although they had known about the crime situation and the situation in the police force for years, did not do a thing about them. What is even worse, they promised much and did little, which resulted in the loss of confidence in and respect for the police force, whose moral image diminished day by day and which did not see any prospects for the future.

Instead of learning a lesson from the refugees, the mass thievery, etc., the leaders during the time of monism made the police force responsible for their own inadequacies, as if it were the cause of these social phenomena.

Punitive measures, extending as far as restriction of freedom, were taken against many cadres and workers. Orders were given to increase the coercive force against the perpetrators of the crimes to prevent profound social phenomena, but this never achieved its aims.

Strange to say, the same attitude and opinion can be noted today, the idea that the police force is responsible for everything that happens and that if it were mobilized there would not be any anxieties.

The epidemic which has locked our society in crime has a number of causes of a political, economic, and social nature so the situation has emerged from the framework of policy and it requires, first of all, a political, economic, and social solution.

Anyone who says that the indifferent attitudes of the police workers are intentional is unrealistic, slanderous, and malevolent. The police have lived like the rest of the people, if not worse. They have been paid and treated as one of the lowest categories and they have not profited at all from their functions and duties. They have made constant sacrifices in the belief that one fine day everything would be all right. Of course, it must be said that the police have been used throughout history as a tool by the party and state organs to protect their power. This means that it has been used by the Sigurimi, the powerful organ in the Ministry of Internal Affairs.

Let me say, with conviction, that the police has no nostalgia for the past or the monistic leadership. On the contrary, like all the people, it denounces it for its backwardness and abuses.

Nevertheless, during the entire democratic movement, and even now, the police force has been attacked physically and morally in order to destroy it and demoralize it, calling it "conservative," "the weapon of monism," etc. I would like to say to these people: You are wrong! The police do not belong to a party and do not take sides. They belong to the people and are in the service of the people. When pluralism was permitted, at the end of last year, we publicly asked that our organs be depoliticized and that their party character be removed. And these things were done with great delay.

[ZERI I RINISE] What can you say about the depoliticization of your organs? Have there been any problems in this area?

[Yzeiri] In regard to this matter, it must be said that we did not wait for the law to be issued but we began to take action earlier. At the very beginning of the democratic processes there were special instruction sessions with the supervisors and the troops to educate them in regard to their attitude of tolerance and cooperation with all

political forces for carrying out the laws and protecting law and order without excesses. There have been many cases in which, because of the good cooperation of the police in several districts with the Democratic Party and, less frequently, with others, demonstrations, both organized and spontaneous, have developed normally. Also, there have been cases of excesses and of events in which this cooperation has been absent.

When the law was approved, a number of measures were taken, both in the formal and organizational respects, working with concrete duties. The problem is that depoliticization cannot be carried out in a week by removing artistic material and political literature. It is a long and difficult process which we will organize according to a plan of measures of an educational (national patriotic) nature, as well as of a legal, professional, and organizational nature. Therefore, extensive reform is needed in the work of our organs. We have begun this work and we are optimistic that we will do it well.

[ZERI I RINISE] What measures are being taken for restructuring and reorganizing the forces of law and order and for stabilizing the situation?

[Yzeiri] Although this process can take place very easily in other departments, in the Ministry of Public Order and the organs subordinate to it, there is a special situation and it is not so easy.

We are in a situation in which we must resolve three problems at the same time:

First, work with the troops, to educate, organize, and mobilize them to ensure law and order and prevent crime;

Second, the reworking of legislation, all the sublegal and normative decrees, because it is not possible to work with the old ones;

Third, the restructuring of the entire organism, from headquarters to the grassroots, in order to respond to the work with a scientific organism.

For these three problems, which seek a solution, a plan of measures with concrete duties, responsible personnel, and deadlines has been drawn up. The plan stipulates two phases: the first phase includes the taking of some quick measures for the normalization of the situation through services and the reworking and approving of the most important legislation and the restructuring of the police.

The second phase includes the intensification of services by other forces; the completion of the restructuring of other organs which are in the Ministry of Public Order at the present time and of the reworking of legislation and decrees on labor norms.

In concrete terms: the main line is that of the General Directorate of the Police which has subordinate to it: the

Directorate of the Police for Law and Order, for the Criminal Police, for the Border Police, and for the Forces for Restoring Order.

Each directorate has its branches but, in contrast to the past, two powerful directorates have been created which will carry the load of the work—the directorates for law and order and for crime. New police units have been created: the Building Security Police, the police for passport and border control points, and the Branch for Scientific Studies and Relations with Foreign Countries.

In their service are some directorates which perform services in support of the police, such as the directorates for personnel, communications, electronics, legal matters, information, economics, etc.

At the present time, the Ministry of Public Order has prisons, detention centers, etc. which will soon be transferred to the appropriate ministries.

This structure is also present in the grassroots organs.

It must be said that this ministry has never undergone a basic restructuring; therefore, there has to be a big overhauling. The aim is not for cadres to change places but to renew organs by placing at the head of them young, well-trained cadres who have produced good results in their work and who have good qualities.

At the present time, 80 percent of the directors of branches and directorates who have been appointed are young, with scientific titles from one or two faculties. The renovation work in the ministry, in the branches and departments, continues but I do not understand the hesitation of jurists to work in our organs, at a time when there is a great need for them. This process is taking place on the basis of criteria prepared for each function and workplace, which will soon be explained in texts. Therefore, no cadre or police officer can be appointed to a job without completing the tests for the job.

The ministry is not only being renovated in accordance with the new structure but is also undergoing a considerable reduction in personnel—by some 32 percent.

This has as its goal, in the first place, a change in the work method, the elimination of the obligation "to cover all bases," and operation on the basis of direction, coordination, generalization, and the introduction of new developments in science, and, in the second place, the strengthening of cadre work in the grassroots, where work is being done on law and order and crime.

[ZERI I RINISE] What is being done with the prisons and the rehabilitation of institutions in the framework of restructuring?

[Yzeiri] The structure of these institutions has been changed, in line with the analogous organs of the western states. Now these institutions have a director, a deputy director for education, a deputy director for military security measures, instructors for education, etc. The

concept is completely different from the past and priority is given to the education of persons who have been sentenced. Work is being done on new legislation and other sublegal decrees on the basis of world experience and soon these institutions will be placed under the jurisdiction of the Ministry of Justice. It is understood that much work will be necessary to reach the level of Europe, especially regarding the creation of internal conditions.

[ZERI I RINISE] Can you speak more concretely about the stabilization of the situation of law and order and about increasing the productivity of the police in their work?

[Yzeiri] The approval of new legislation, such as the legislation on the status of the soldier, on peace and quiet, on the use of weapons, on the law and order police, and others will help to improve the situation. They clearly present the duties and competencies of the police, which have increased today, the penalties to be paid by offenders, and other measures. It is necessary that the approval of this legislation not be postponed; it must be analyzed and implemented quickly. Punitive measures must begin without hesitation against those who violate the laws and violate public order and all means should be used, even weapons, in accordance with the approved law, against perpetrators of crimes. No delay will be tolerated.

The laws which have been approved, the decisions of the government for their implementation and others which will be approved in the future will improve the treatment and compensation of the police while also increasing their authority.

Anyone who distinguishes himself in the area of the protection of law and order in the struggle against violations of the law and in the struggle against crime will receive more than the base salary. These provisions have been sanctioned and have not been left to subjective judgements. The capable person will stand out because of his work and the inept and indifferent person, who up to now was paid the same wage, will also stand out.

In addition, we have taken measures and, recently, work has begun for the purpose of increasing the law and order forces, on the streets and, especially, the crime prevention forces, creating special units, which are under order to work with all their strength against thieves, robbers, murderers, illegal possessors and users of weapons, especially in the most important cities.

This requires that the troops rely on the necessary means for the execution of their duties, because equipping them with technical means leaves something to be desired in labor productivity, in addition to endangering their lives. Nevertheless, I emphasize this because new laws can be issued, the political forces and their equipment can be increased, but the system cannot be made secure without a sound political, social, and economic climate.

[ZERI I RINISE] Is anything under way to establish contacts with similar organs in other countries and to benefit from world experience?

[Yzeiri] The old practice of isolation has been ended. We think that making contacts with the police of other countries of the world and benefitting from their experience are essential in the present situation, and, especially, for the future of our organs. A positive response has been given regarding our membership in Interpol and, in the fall, the application for membership will go to Uruguay where, certainly, we will be accepted as a member of this international organization.

We have had exchanges of delegations with Italy, during which we received literature and experience, and a mutual exchange of information on criminal issues has begun. Soon, we expect to sign an agreement which will open the road further and will concretize cooperation in every field.

We have sent delegations to Finland, Romania and other countries for experience and we will do what we can for collaboration on the basis of a detailed plan which was drawn up recently.

[ZERI I RINISE] What is your opinion about other state organs and about party and mass organs in connection with problems of law and order?

[Yzeiri] It must be said that without the strengthening of law and order there can be no reforms in the economy and in society. Therefore, the democratization process requires, above all, a complete system of law and order in the framework of the law-governed state. Unfortunately, "ensuring law and order" is thought to be separate from other legal, economic, and social issues facing the state and solely as a duty of the police forces. Law and order cannot be ensured without the operation of the organs of power, the state organs, and without the support of the political forces and the social and state organizations. Our organs have the main responsibility in this area but by no means do they have the last word. The organs of justice such as the office of investigation, the public prosecutor's office, and the courts are just as important if not more important. They must not only support the police but must also expand and intensify their work in fighting crime, because they have this as a duty and they have as much responsibility as the police.

The attitudes on the part of the police toward persons sentenced for crimes, who have been released by the organs of the office of investigation and of the public prosecutor's office in Shkoder, Lezhe, and other districts, show that situations and duties are not being evaluated properly.

In regard to the political forces, the trade unions, etc., I would say that, in the present situation, they could do more to strengthen the system because the functioning of the government organs is poor and the state enterprises are being merged.

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ALBANIA

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The situation must be judged as it is, and, therefore, it requires a unanimous stand on the part of all concerned regarding law and order and crime, supporting the police

forces and other forces with concrete activity and propaganda. This will serve both democracy and the country.

Father Subev on Failings of Orthodox Hierarchy*91BA0922A Sofia 168 CHASA in Bulgarian 18 Jun 91
p 21*

[Interview with Father Subev, a priest of the Bulgarian Orthodox Church and head of the Committee for the Defense of Religious Freedoms, Freedom of Conscience, and Spiritual Values, by Alekseniya Dimitrova; place and date not given: "The Church Was the Housemaid of the Godless State; The Patriarch Still Owes Me Something, and There Are Many Scoundrels in Cassocks Who Must Repent"]

[Text] [Dimitrova] Father Subev, what kind of relations do you have with the leadership of the Bulgarian Orthodox Church?

[Subev] Before 10 November, the Holy Synod had proclaimed its opposition to the Committee for the Defense of Religious Freedoms, Freedom of Conscience, and Spiritual Values. On 30 March, 12 May, and 12 June 1989, it came out against the organization and me with a declaration published in TSURKOVEN VESTNIK.

After 10 November, they began to change their orientation. On 20 July 1990, TSURKOVEN VESTNIK published the repentance of six Bulgarian church bishops: Kalinik, Pankratiy, Kiril, Pimen, Stefan, and Domitian, who offered an apology to my modest person, stating that in the past they had failed to understand me.

Some time in December of last year, I transferred to the diocese of the West European Bishop Simeon, which is also part of the Bulgarian church. From time to time, I say Mass at the Sveti Dimitur Church, in the Khadzhi Dimitur District. However, I am quite busy as SDS [Union of Democratic Forces] chairman in charge of spiritual matters.

[Dimitrova] You said that only six of the bishops repented. What about the other six from the Holy Synod leadership?

[Subev] Some of them came secretly to kiss my hand. Personally, however, I have not conducted talks with the Holy Synod on any matter whatsoever. I have avoided both official and unofficial contacts, particularly with Bishop Kalinik.

[Dimitrova] How long will you be avoiding them?

[Subev] This is a very delicate matter. We have achieved one of our main objectives: the overthrow of the repressive Committee on Problems of the Bulgarian Orthodox Church and Religious Cults of the Ministry of Foreign Affairs, which was headed by Lyubomir Popov and Khristo Marinchev, who had been rather compromised because of their activities against such an innocent matter as religion.

[Dimitrova] To the best of my knowledge, you are a physicist. What happened that made you turn from physics to the church?

[Subev] In 1975 I worked on Musala Peak for about two years. Then I went to Tyanshan to work as a scientific associate. I remained there for nine months and 13 days and established contacts with dissidents. Back in this country, I worked as a night watchman at the Communal Services Enterprise in Veliko Turnovo because it was decided that I was a troublemaker. I became a monk at the Sveta Bogoroditsa Monastery for Women in Arbanasi in 1980. There were only elderly nuns there. I have never lived in a monastery for men for private considerations. I served there until I was able to complete my higher clerical education. I was then assigned by Bishop Stefan of Turnovo to the Sveta Troitsa Church and, subsequently, to the cathedral in Turnovo. I was the best student in the course: I was the only one with an excellent-grade diploma among the full-time and correspondence students.

[Dimitrova] What exactly were you objecting to at that time?

[Subev] I was protesting the deprivation of rights of the church and the godless system. This was a religious war but using peaceful rather than violent means. In 1986 we started the first processions with icons and religious songs along the streets of Veliko Turnovo. On the fourth occasion, on 19 October 1988, on Trapezitsa Hill, we founded the Committee for the Defense of Religious Rights, Freedom of Conscience, and Spiritual Values. We even have absolutely authentic material on film: letters by Bishop Stefan in which he demands of me an explanation. At that point, I was exiled to the Cherepishki Monastery. I was denied my salary. However, I did not lose my status as a priest. I retained the right to celebrate Mass and administer the sacraments.

[Dimitrova] At one point, there were heated arguments as to whether or not you had been expelled from the church. Has there ever been a question of expelling you?

[Subev] No. I could show you documents to that effect. They never dared do that. Those were only rumors; the truth remains the truth. Christ was subjected to incredible abuse yet remains holy and pure.

[Dimitrova] How often did you celebrate Mass in the church in Khadzhi Dimitur District?

[Subev] On Sundays, usually. Of late, however, it has been necessary for me to travel abroad for purposes of humanitarian aid.

[Dimitrova] You do realize that some people are with you and support you, while others are categorically opposed to you? Is it not a sin to divide the lay brothers?

[Subev] Christ said: "Think not that I am come to send peace on earth—I came not to send peace but a sword, for I shall separate father from son, mother from daughter, daughter-in-law from mother-in-law, and a man's foes will be of his own household." Elsewhere, he says: "Woe unto you, when all men shall speak well of you!" This is natural. I do not agree that one-half of the

people are against me! Nor do I think that I am dividing the people. In no case is the communist *nomenklatura*, which is against me, one-half of the people. The number is much smaller. When we struggled to regain the seminary in Cherepik, they started yelling and resolved that I was the great enemy, that I am restoring a bourgeois vestige. They conceive of the church only as a mineral resource. They are unable to assess its spiritual value, unfortunately. They turned it into the maid of the godless state.

Do you know how many priests were killed after 9 September? Terrible repressions were used to crush the spirit of the church. The people who conducted such repressions do not like me. However, that is their problem. I pray for them.

[Dimitrova] Are your political involvements not conflicting with the Christian dogma of humility?

[Subev] I did not become a candidate for parliament. I have had no political ambitions. I am participating in the dismantling of a godless system that crushed the church. As far as such "politics" are concerned, my conscience is clear. If I had one more life to live, I would do this again. Is it politics to preach the principle of nonviolence? When 1,000 candles are lit on a square, and when the people say the Lord's Prayer and sink to their knees? When they listen to the holy New Testament? On some occasions, more than 200,000 people have attended. It turned into politics because it took place in front of party headquarters and was a challenge to a godless party. I shall never regret such politics.

[Dimitrova] Will you be a candidate in other elections?

[Subev] Personally, I do not think so. I believe that our organization must be represented in parliament, but I do not aspire to political power. For me, it is sufficient to have a great many friends and few enemies. I could show you stacks of letters. I walk the streets alone, without a bodyguard. I do not use armor-plated Mercedes or Chayka cars, like some other high clergymen. All I have seen has been respect. These people must repent. The nation will not start loving them without repentance.

[Dimitrova] What could trigger such repentance?

[Subev] In Revelation 3:20, the Lord Jesus Christ says: "Behold, I stand at the door and knock: If any man hear my voice and open the door, I will come into him and will sup with him and he with Me." When God knocks at a heart, the soul is touched and finds the way to repentance and restoration. This is a very difficult process. Human faults, weaknesses, compromises, and commitments prevent the catharsis and delay it. It is a very terrible thing to kill the faith of a nation. It is terrible to serve one's ideological enemies, to write in TSURKOVEN VESTNIK articles such as "The Results of the Great October," as was done in 1983. Some scoundrels wearing cassocks have something to repent about....

[Dimitrova] Who wrote those articles? Which scoundrels in cassocks do you have in mind?

[Subev] I hate personality attacks.

[Dimitrova] Can we expect a meeting between you and the patriarch in the near future? Or between you and some of the leadership of the Bulgarian Orthodox Church?

[Subev] Everything is in God's hands. For the time being, however, everyone is following his own way.

[Dimitrova] Nonetheless, you claim that you favor change. Meanwhile, both sides are silent. Who will then be the active side?

[Subev] In 1989, in TSURKOVEN VESTNIK, the patriarch declared himself against our organization. I am waiting for his personal repentance and apology. He still owes me something—me, personally. If I were to start enumerating all the things they have done to me.... Nevertheless, so far I have not called for revenge.

At the 18 November 1989 meeting, I called upon the people to forget revenge and quarrels. On 25 February, I stopped the excesses that could have taken place in front of the mausoleum and triggered a chain reaction of bloodshed in the country. My conscience is clear. The New Testament says that a great percentage of the Jewish people rose against Christ. Does this mean that Christ sinned?

[Dimitrova] Because your conscience is clear, tell us something about yourself. How do you live?

[Subev] I live in an office, with my mother, because I have no apartment. The intention was to give me an official residence, but I am unwilling to live in it.

[Dimitrova] It was being said that you were given a beautiful apartment in the Geo Milev District.... What happened to it?

[Subev] I do not live there—first, because that housing block has not been assessed and the rent has not been set; that is why I do not live there. Second, I have no intention of doing so, considering the housing crisis, although my own situation is very difficult, my mother is very gravely ill, and her pension is 120 leva. I believe that now it is slightly higher. If my work did not keep me here, I would have gone back to Veliko Turnovo, where my mother has a house.

[Dimitrova] When do you get up in the morning, and when do you go home at night?

[Subev] That depends on the work. I do not go to feasts because I am a vegetarian and am against any abuse of alcohol. I do not smoke.

[Dimitrova] How old are you?

[Subev] I am 45.

[Dimitrova] A Taurus, to the best of my knowledge?

[Subev] Yes. According to the Japanese calendar, the year of the dog.

[Dimitrova] What does that mean? Is that good or bad?

[Subev] It says good things. I do not know how true they are.

[Dimitrova] You look younger than your age....

[Subev] That is perhaps from being a vegetarian or perhaps from the spirit, the sublimation of energy that comes from a monastic life. According to Freud, abstaining from some earthly joys preserves the energy of man, and that energy can be converted into high mental or spiritual energy with life-bringing force. However, I ascribe this to the fact that I take Communion every day, with the body and blood of Jesus Christ, my Lord. That is the true body and the true blood. On two occasions, I was even tested for alcohol in the blood after taking Communion. It turned out that there was no alcohol. This confirms that we do not absorb bread and wine but absorb the body and blood of God: This a sign of life, of spiritual energy, coming from the Holy Spirit.

[Dimitrova] What sins do you hide in your heart? Various things are being said....

[Subev] On 4 August 1989, my father—may he rest in peace—received a letter from the director of the Central Prison in Sofia, informing him that I was there for crimes committed against the authorities. If that is considered a sin.... Thank God, that is a sin committed against the godless power of Todor Zhivkov.

[Dimitrova] Have you ever been sentenced or tried for anything else?

[Subev] No, I have not been sentenced. There was an investigation—for 40 days, at the Main Investigative Administration at 1 Razvigor Street. Then they shaved my beard. They have always tried to charge me with "political" violations—Articles 327, 108, 166, and others—but not with criminal ones.

[Dimitrova] How long were you detained altogether?

[Subev] Eighty days, during the investigation. I was detained on several occasions for 10 hours at a time. I was arrested on Easter Sunday, 30 April 1989, in the center of Veliko Turnovo to prevent me from meeting with Trenchev, Petur Manolov, our secretary in Shumen, Petur Kunev, and other dissidents. At that time, a number of people were detained. They covered our heads and took us outside the city and kept us for 10 hours until Easter was over. All Western radio stations thundered on that occasion.

So, I have been detained four or five times and interned in the Cherepishki Monastery. The monks attended short daily meetings at the militia. I was forbidden to maintain any contact: I was totally isolated, alone in a

building. I told those who sent me there that I will not forgive them because, at that time, both my parents were sick. However, Christ asks us to forgive everyone....

[Dimitrova] Your earthly temptations?

[Subev] I am a great lover of symphonic music and swimming.

[Dimitrova] Where do you swim? I hope you do not have a swimming pool chosen by God?

[Subev] At the present time, I swim in the social waters.

Stabilizing Dollar-Lev Exchange Rate

91BA0925A Sofia BULGARSKI BIZNES in Bulgarian
24 Jun 91 pp 1, 7

[Article by Stanislav Derlipanski: "The Self-Confidence of the Bulgarian Lev Is Increasing"]

[Text] Despite its tender age and local significance, the national interbank market of the Bulgarian lev and basic convertible currencies has expanded greatly and asserted its place within our economic system. Furthermore, the Bulgarian lev is being quoted in comparison with basic currencies, gold and silver, and in the REUTERS system under the name "NBOB." This system is being used by most big banks throughout the world.

The Bulgarian monetary unit declined during the first half of the opening of the market, down to 28.85 leva to the U.S. dollar. This was followed by a sharp strengthening, reaching 14.22. In the past few weeks, the leva has been trading in the range of 18-18.5.

As we know, the lev-dollar correlation is used in most transactions. The remaining rates of the leva are pegged to the daily rates of the dollar against other currencies on the international interbank market, with possible deviations based on the supply and demand of respective currencies on our markets.

The volume of daily operations has reached 10 million, which means that, so far, more than \$300 million have been purchased and sold by the Bulgarian National Bank, with a view to stabilizing the rate.

The reform of the banking system in our country is forthcoming. According to Todor Vulchev, president of the BNB [Bulgarian National Bank], during the second half of the year, between seven and 10 strong Bulgarian banks will be established, which will bring together the more than 70 banks and bank branches that have been operating so far. This was also the recommendation of the Ministry of Finance. Later, they will be privatized. The right to purchase stock will be granted to Bulgarian and foreign individuals.

The objective is clear: to build the kind of banking system used by countries that have greater experience in a market economy. The lev will become the internal convertible currency, similar to the Polish zloty. The

high command of the BNB does not conceal its hope that total convertibility will be achieved in this decade.

As is the case with all currency markets, in our country the participants may be divided conventionally into two groups. The first includes producers, entrepreneurs, merchants, and others, who have a real need for fund arbitraging. Their objective is to trade the currency at a suitable time, in such a way as to have minimal losses or even to profit from changes in the currency rate. Speculators make up the second group. These are companies and individuals who believe that they could profit by assuming a position in advance in the expectation that their rate of exchange will develop in the expected direction. We must radically change our attitude toward this group. To speculate means to possess a tremendous amount of information, experience, and intelligence. Furthermore, these people take risks and provide a liquidity that is vitally necessary for the market.

Both groups are greatly interested in forecasting rates in the dollar-lev, lev-mark, and so forth area. Inasmuch as we are trying to develop a "real" market, it is time to look somewhat more professionally at the projection of such ratios, the more so because we keep hearing conflicting views about rate dynamics. The key to a proper projection should be sought in the factors that influence the market. We must discover them and track their influence. An evaluation may prove to be subjective. Nonetheless, it is better to make one (even if we are wrong) than to rely entirely on rumors.

Because money is a commodity and because the price or the rate of exchange of this commodity in a market economy is based on supply and demand, it would be adequate to make a study of the factors that influence such demand and supply—that is, the so-called fundamental factors. Here are the basic among them:

1. **The country's balance of payments.** This includes all transactions with foreign countries. If the export of goods and services exceeds imports, demand for national currency increases, which improves its rate of exchange. Conversely, if there is a deficit in the balance of payments, demand for the national currency unit decreases, and the unit is depreciated.

2. **The interest rate.** If it is high, companies and individuals will be seeking the type of currencies that pay such interest and will get rid of those that pay a lower interest.

3. **Inflation.** Inflation means price increases without any real increase in the quality of goods and services. Inflation or price increases may come from an increase in production costs or consumer demand. Regardless of the source, a high rate of inflation adversely affects the rate of exchange of the national currency.

4. **Political stability.** It is logical, when the political situation of a given country is unstable, for demands for its currency to decrease because of increased risks and uncertainties. This adversely affects the exchange rate of that currency.

5. **Seasonability.** Depending on the season, the demand for a certain currency may increase under the influence of some seasonal factors. Thus, for example, exporters of agricultural commodities in Bulgaria will be offering more foreign exchange and seeking Bulgarian leva so as to finance next year's production. The demand for more leva will naturally raise the exchange rate.

6. **Market expectations.** Such expectations could have a major impact on exchange rates. Thus, for example, if everyone expects that the dollar will fall as compared to the lev next week, let us say, the sale of dollars will be increased and, hence, so will supply, which will unquestionably increase the rate of exchange of the lev in relation to the dollar.

7. **Governmental influence.** The government—in particular, the national bank—as a great influence on the supply and demand of the national currency through the various instruments of monetary policy. This includes control over the minimal reserve kept by commercial banks, limiting the amount of allowed operations, the purchase and sale of bonds, the setting of quotas, customs rates, various actions, export fees, and so forth.

8. **Economic indicators.** This includes data on economic growth or decline, industrial output, unemployment, and so on. The better the indicators concerning the economy of a certain country, the greater will be the demand for national currency and, therefore, the higher will be its rate of exchange.

Naturally, this is not the sum total of factors. We must bear in mind that the various factors are studied in their dynamic development. Furthermore, the market analysis should be constant—that is, neglect of the basic factors, even for a few days, could have undesirable consequences.

The development of the lev-dollar market confirms these thoughts. In the past few weeks, the rate was stabilized at about 18-18.50 to the dollar. Let us consider the development of inflation over the past four months. Whereas in February it had exceeded 100 percent, it was about 50 percent in March; in April, prices rose by no more than 25 percent; and, in May, they increased by 0.76 percent (based on BNB data).

The interest rate policy led to a new increase in the basic interest rate. At the beginning of the month, it was 52 percent, as compared to the previous 45 percent. This was dictated by the fear of a new round of inflation. Now, when inflation appears to have been put under control, thought is given to lowering the interest rate, with a view to letting the producers breathe more freely.

The political situation in the country is relatively calm, which creates confidence in the national currency. This is favorable in terms of the lev.

How will the leva rate of exchange develop? Naturally, we all would like to see our national currency strong. This will also determine the way we live in the future.

Unfortunately, however, most economic indicators are negative, which proves that we are in a state of economic crisis. In May, industrial production declined by 21 percent as compared to the same period last year. Real wages declined by 40-50 percent. In April, there were 177,000 unemployed, and it is expected that by the end of the year the number will reach 260,000-280,000. All of this is a matter of concern, but we must not forget the possibility that the government may intervene and that there may be foreign aid as well.

Political stability, as well, will have a great influence. In studying the market, we must not forget the other factors—the technical ones. Technical (graphic) analysis is extremely widespread in the assessment of all goods, financial instruments or currencies. Furthermore, whereas throughout the world there are no fundamentalists not looking at a graphic analysis, there also are abundant chartists (individuals who engage in technical analysis), who totally reject fundamentalist factors. Technical analysis is a science unto itself and involves many specialists and expensive equipment. We must know that such an analysis does not guarantee 100-percent accuracy in predictions. Looked at historically, the future development of a price or rate of exchange may be determined with a 60-to-90-percent safety margin, depending on the technology used. This is quite substantial!

What was the shape of the weekly graphic of the lev-dollar as of the start of the market [graphic not reproduced here]? The X-axis shows the weeks; the Y-axis shows the numbers expressed in leva. The lowest and the highest level and the end are indicated for each week. In the period from the eighth to the 12th week of this year, we note a sharp drop (from 28.85 to 14.22), with two "gaps" between the eighth and the ninth and between the 10th and the 11th weeks. There is a rule according to which each "gap" is filled, sooner or later, as was the case with the second gap during the 18th week. The rate moved upward during the period of the 12th to the 19th week. From the 18th week to the present, the movement was within the area of "consolidation," limited by the "backing" of about 18 leva and the "resistance" of about 19 leva.

What can we learn from a basic technical study of the graphic? In the absence of strong fundamental factors, the lev will be traded at the consolidation rate of 18-19 leva to the dollar. If it can breach the 18 leva level, it could reach the lowest level of some 14.3 leva, where it would find strong support. In the other direction, should it go beyond the 19-leva area, the possibility exists that it will reach the level of 21.50 leva and, as it crosses, we will expect the "gap" to be filled, and we will have a rate of 24.60 leva to the dollar.

Finally, here is special advice to the "speculators," which any chartist would give us. Purchase leva at under 18, the objective being 14.5-15, and risk 19 leva. The pessimists

regarding the Bulgarian economy and politics should sell their leva at over 19, aiming at 21.50, risking 18 leva per U.S. dollar.

The State Savings Bank informs all of its customers that, in connection with changes in the basic interest rate, it will be granting loans to companies and other organizations under the following conditions, as of 10 June 1991:

	Loans	Annual Interest (in percent)
1.	Loans granted after 27 January 1991	
	—For building and purchasing homes by citizens without house-savings deposits	52
	—For building and purchasing of housing by citizens who have house-savings deposits and the right to borrow, including house-improvement loans	47
	—For current needs	54
	—To people's councils, ministries, and departments, for housing construction, minimum	53
2.	To companies, minimum	53

Capital Shortage, Privatization Discussed

Financial Aspects

91BA0926A Sofia BULGARSKI BIZNES in Bulgarian
24 Jun 91 pp 1, 3

[Article by Khristina Vucheva: "Financial Aspects of Privatization in Bulgaria"]

[Text] There is general agreement on the significance of privatization in terms of the further development of the economic reform. However, different views remain about the specific mechanisms for the practical implementation of the process. Views differ about the ways in which state property could be transferred most rapidly, the method for its assessment, and the problems affecting the rights and responsibilities of the state authorities in charge of privatization. However, many such differences lose their significance when we look at the financial condition of the main economic subjects and the possible financial consequences to each of them in the implementation of privatization.

The enterprises, the state, and the population are the main economic subjects on which privatization depends. The most difficult is the financial situation of the enterprises, followed by that of the state. The population remains in a relatively better position.

According to 31 March 1991 data, the fixed capital managed by the enterprises, used for industrial purposes, totaled 80,167,000,000 leva; its wear and tear is in excess of 40 percent, and a considerable number of these assets are more than 10 years old. Material and other reserves,

on the same date, amounted to 44,026,000,000 leva. State and municipal enterprises owe the banks loans in excess of 45 billion leva, most of which are not flexible and are the result of central planning decisions. Debts created by the so-called allowance quotas, applicable to the nonreducible balances, total about 12 billion leva; there are 13 billion leva out in loans for unpaid installed fixed capital. The working capital amounts to approximately 16 billion leva, and cash in the various funds to 10 billion leva.

The state budget owes the banks approximately 11 billion leva as well as more than \$3 billion, which, at the current rate of exchange, significantly worsens the burden of the internal debt. Let us add to this the developing budgetary deficit for 1991 of some 7 billion leva in cash and an overall deficit of 24 billion leva.

The population is in a relatively better position because it owes about 3 billion leva on loans for housing and current needs, while still owning some 34 billion leva in deposits (including deposits in foreign currency accounts).

Under those circumstances, if the program for privatization for the next three years encompasses no more than 20 percent of the property—assessed, though conventionally, on the basis of its balance-sheet worth and not on its market value, which would be much higher—the solvent demand will be able to cover a small percentage of it. Foreign participation is difficult to anticipate, but even most optimistically it would not exceed 50 percent. This means that direct sales per purchaser or group of purchasers will be of limited significance. This applies to the sale of shares. There is a clear need to use other forms of privatization familiar to the Western countries, such as sales on credit and against future profits, the assumption of old debts, and gifts.

The thus-described financial situation of the economic subjects as well as the overall condition of credit resources and investments make the further expansion of credit unprofitable. It is unprofitable also regarding the pursued policy of credit restrictions. We can rely only on expanding the activities of the new private financial institutions and expected outside financial aid, which will lead to the availability of new credit in the country.

The sale of so-called institutionalized buyers—banks, money funds, and insurance companies—will be of limited significance, at least for the next one to three years.

Most promising, considering the country's financial situation, are sales against future profits and against the assumption of old debts and gifts—that is, granting some state property to private individuals at no charge.

The sale of state property against future earnings means, in practice, that the funds owed will constitute a debt to the state, repaid on the basis of terms established in advance, out of future earnings. However, with this method, a careful assessment must be made of the

guarantees for regular repayment out of future profits, which, in itself, limits its application.

The possibility of sales by assuming existing debts to the bank appears quite attractive. However, difficulties arise here as well. The banks in all likelihood will ask for the debt to be transferred to the state, which is making the sales. It would be expedient to open a nonbudgetary fund that would absorb the debts of the enterprises and in which income from the sales would be deposited, regardless of form (payment in cash or time deposits). This fund either could apply exclusively to enterprises included in the privatization programs or cover all debts assessed as unrecoverable in the immediate future.

A number of people are tempted by the system of granting, free of charge, some of the state property and conducting privileged sales to workers and employees.

The former would mean that every citizen would be given a check, free of charge, for a certain value, with which the individual would be a purchaser in the sale of shares at public auctions. This means that a certain percentage of the shares of each enterprise would be set aside and actually given to the citizens as gifts. It can be expected that shares thus acquired could later be sold if the citizens were unwilling to become stockholders. With this method, as well as with the privileged participation of workers and employees, income from privatization would be reduced, which means that the state debt would increase. In our view, granting free checks—though that may look like the introduction of justice—should not be applied for several reasons.

First, it delays the implementation of the main purpose of privatization: the transfer of property to ensure its effective management and control. Second, let us note the inevitable difficulties that would develop in the distribution of the checks. There would be disputes concerning differences in the incomes of citizens, their contributions, and so on. If we changed to basing the value of the checks on income or other conditions, this would turn the entire process into a complex and bureaucratic system that would delay the entire process of privatization.

The forms of privatization we have enumerated could be classified according to their applicability as follows:

- a. Direct sales to one or several purchasers would account for relatively little because of a lack of available capital.
- b. The sale of shares to a broad range of small investors would have a better chance. However, this would not lead to a fast restructuring of enterprise management.

c. Sales against future profits would offer significant advantages but, at the same time, involve a serious risk related to assessing the quality of the purchasers.

d. Assuming the debts owed by the purchased enterprises against the amount of the purchase would be a suitable method, which, however, could be applied only in some specific sectors within which the most significant and repeatedly postponed investment credits were concentrated.

We must not underestimate the possibility of applying some of the foreign debt to ownership in the country, provided we take into account the influence such transactions would have on the internal debt. Such debt would increase significantly because the budget would have to provide funds to pay the leva equivalent of the debt. Some help in solving this problem would be possible by establishing the suggested general fund for income and expenditures related to privatization.

Whatever forms are applied, it must be made clear that, in the next few years, the privatization process will not bring any income to the budget, as has been the case in the developed countries.

In countries such as ours, where state ownership is virtually the exclusive form of management and where there are no financial markets and available capital, the stipulated and legitimized means of privatization should be consistent with its characteristics.

We should not lose any more time. While waiting for the adoption of the Law on Privatization, the state authorities must draw up the lists of the enterprises that will be offered for sale and be ready to resolve the numerous problems related to the organization of this process, which is so greatly needed by the country.

Franchising as Solution

91BA0926B Sofia BULGARSKI BIZNES in Bulgarian
24 Jun 91 p 3

[Article by Spartak Keremidchiev: "Franchising, or How To Privatize 'Natural Monopolies'"]

[Text] The privatizing of the "natural monopolies," which is based on the application of the traditional methods of fully transferring property from state ownership to private ownership, is a very controversial operation. The lack of competition proves to be equally harmful in the case of state and private control over monopoly.

In some cases, privatization may even create a great danger because private interests in profit is less controllable and may defeat all social protections, particularly in countries with less-well-regulated market economies.

For example, when Maria Julia Alsogarai, the daughter of the leader of the local liberal party, became the owner of the Argentine Telephone Company, telephone rates

jumped horribly, by 2,395 percent. The cost of telephone service became higher than the monthly income of many subscribers.

The mass layoff of telephone workers, which was the next step taken by the new owner, left half of Argentina without telephone communications, and the striking services were manned by the military.

However, even in a country with an adequate market economy, the privatization of monopolies triggers conflicting reactions and assessments. It is believed that, after the sale of the symbol of the largest privatization operation in the world—British Telecom—although financial results improved, many consumers complained of the worsened quality of services. In 126 of the 200 British companies (63 percent) surveyed, it was noted that the quality of services did not improve following privatization.

In our country, the privatization of "natural monopolies" would impose yet another major restriction. Their cost and the cost of their maintenance are very high. According to Cl. Lesculite Jr., an expert from the Rhan-Utt Team, the technical updating of Bulgarian communications would cost at least \$1.6-5.6 billion. I doubt that even the most enterprising Bulgarians could absorb such a cost. Therefore, we come to the classical question: What to do?

Resourceful economists and lawyers have found an answer in franchising. The use of franchising in meeting the requirements of privatization is relatively recent, and the idea was borrowed from commerce and tourism. The U.S. Singer Company is considered the originator of franchising: It applied it, for the first time, in the 1860's. Almost 100 years later, in 1952, a franchising law was passed in California, followed by a federal law passed in 1970.

Franchising is a type of activity in which a company grants, against payment, the use of its rights and the privilege of using its trademark and know-how to another individual for a certain period of time, in a specific area, and under the conditions it specifies. All relations between the parties are legally determined with a contract.

How could such relations work in the case of privatization? The "natural monopolies"—that is, areas in which the possibility of competition is either limited or does not exist, for a variety of technical or natural reasons—is an area suitable for franchising. Usually, this applies to various transportation facilities, such as railroads, subways, electric power, electricity and gas supplies, some telecommunications, and some extracting industry sectors.

Franchising may be used not only in the exploitation but also in the building of enterprises in such areas of activities. The mechanism for reaching an agreement has several steps.

Let us assume that the private company Gosh-M decides to run the Sofia subway. The Sofia Municipality, which has finally been able to find the means to build the subway, has accepted the project as completed but is unable to run it because it lacks the funds to purchase the coaches. The same applies if the coaches are already worn out.

At that point, the Sofia Municipality announces a franchising auction. The company that has submitted a plan and guarantees for providing the transportation service with its own rolling stock and with minimal subsidies from the city budget will win the bid.

Let us assume that the best conditions are offered by the Gosh-M company and that it wins the bid. The franchising contract includes stipulations to the effect that the Sofia Municipality undertakes to maintain the tracks and provide the necessary subsidies. In turn, the Gosh-M company will provide subway services with its own coaches and personnel for a stipulated price and a stipulated schedule and will pay the amortization cost of the wearing out of the tracks. A 20-year contract is signed.

In this manner, the people of Sofia will benefit from the service standards and conveniences of new coaches, while the municipality will be free from organizing a headache such as subway transportation. That makes franchising a means of competing for a market, when competition on the market itself is impossible. This also applies to partial privatization.

1990, 1991 Inflationary Trends Analyzed

91BA0924A Sofia 168 CHASA in Bulgarian 2 Jul 91 p 7

[Article by Candidate of Economic Sciences Velichka Rangelova and Scientific Associate Ganka Mileva: "What Is Inflation and Does It Have Grounds in Our Country?"]

[Text]

Method for Computing Consumer Good Indexes

The monthly computation of consumer prices in Bulgaria was started in May 1990. The method was developed by an interdepartmental collective and approved by a council of experts and is consistent with international methods applied in this area. It is based on the average weighed prices of goods and services in state and cooperative trade and on prices at cooperative markets and those in private trade.

The statistical monitoring of goods and services is conducted on a monthly basis, and as many as six different prices are recorded for each commodity.

The prices are recorded on the basis of direct observation of prices of goods and services in commercial stores, workshops, stands, cooperative markets, and so forth.

The selection (extract) of goods and services is based on a concentrated choice.

The list of goods and services is based on the following principles:

- It must correspond to the lists of goods used in practice in recording retail trade and paid services;
- It must be consistent with consumer expenditures based on monitored household budgets;
- It must be consistent with the structure of consumption by the population, reflecting its trends;
- It must allow international comparisons.

The number of representative goods and services, commodity groups, and basic groups included in the list are based on the price-setting method and the condition of the market. We singled out 1,300 commodities and 209 services under the conditions of centralized price setting.

Because of the great shortages existing in our country, we did not list the stores to be observed, and the registration workers are free to look for specific commodities in several stores.

Prices were recorded in 28 cities throughout the country.

The share of the individual groups in the list was based on information regarding:

- Retail trade sales to the population;
- Sales to the population at cooperative markets;
- Paid services provided to the population by state and cooperative enterprises and organizations, private companies, and so forth;
- Representative surveys of household budgets;
- Expert evaluations, surveys, and so forth.

Prices were monitored throughout the entire period from the 16th of one month to the 15th of the next.

The average prices of a given commodity or service considered representative were computed as the mean sum assessed in accordance with the basic number of prices in retail trade. For the time being, the effect of the quality is not taken into consideration.

After computing the average retail price indexes, we compute the index of consumer prices with which we determine the level of monthly inflation.

To this effect, the monitored goods and services are classified into 11 groups:

1. Foodstuffs
2. Alcoholic beverages
3. Tobacco goods

4. Clothing and shoes
5. Housing, heating, and electricity
6. Household furnishings
7. Cultural and social life
8. Hygiene and health care
9. Mail and transportation services
10. Taxes and fees
11. Other

The Central Statistical Administration computes for each separate group its share of the consumer expenditures of households in Bulgaria.

The computation of the index of consumer prices takes place by computing for each of the 11 groups the average assessed indicators with a permanent number of cases, after which the thus-obtained indicators are compared to the structure of consumer expenditures of households in Bulgaria.

In computing the consumer price index, some paid services related to education, medical services, and so on are not included because of their incomplete economic status.

In addition to computations for the country at large, also computed are indicators of consumer prices for cities and villages: by social group—for workers, employees, agricultural workers, and those in other categories; by the number of children in a household—one, two, three, and more; by households with no children; and by single-member households. Also computed are consumer price indexes for the various income groups: 220 leva or less; 221 to 260 leva; 261 to 300 leva; 301 to 340 leva; 341 to 380 leva; 381 to 420 leva; 421 to 460 leva; 461 to 500 leva; 501 to 540 leva; and more than 540 leva.

In the future, the method for computing the consumer price index will be refined; less goods and services will be included in the consumer basket. We will compute the consumer price indexes for the respective periods of the preceding year. We will also reflect the influence applied by changes in quality on the consumer price index.

Table 1
Consumer Price Indexes for 1990

Month	Months Used as a Base							
	May	June	July	August	September	October	November	December
May	100.0							
June	104.1	100.0						
July	107.8	103.5	100.0					
August	119.5	114.8	110.9	100.0				
September	124.9	120.0	115.9	104.5	100.0			
October	130.0	124.9	120.6	106.8	104.1	100.0		
November	136.4	131.1	126.5	114.2	109.2	104.9	100.0	
December	150.6	144.5	139.6	126.1	120.5	115.8	110.4	100.0

Table 2
Consumer Price Indexes for 1991

Month	Months Used as a Base					
	December 1990	January	February	March	April	May
December 1990	100.0					
January	113.6	100.0				
February	253.2	222.9	100.0			
March	381.1	335.5	150.5	100.0		
April	390.6	343.9	154.3	102.5	100.0	
May	393.7	346.6	155.5	103.3	100.8	100.0

Jan Carnogursky on Slovak Independence

91CH0763A Prague LIDOVE NOVINY in Czech
24 Jul 91 pp 1-2

[Reprint of interview with Slovak Prime Minister Jan Carnogursky by the French daily LIBERATION; place and date not given: "I Predict Independence for the Year 2000"]

[Text] [LIBERATION] Why did you send the Slovene authorities a congratulatory telegram?

[Carnogursky] I recognized the Slovenes' and Croats' right of self-determination. Their way of going about it is democratic. There was a referendum and their parliaments voted for independence. I believe this to be their right and I wish them well.

[LIBERATION] What lesson do you draw from the situation in Yugoslavia?

[Carnogursky] Basically, every nation has the right to be independent. This also applies to Slovakia. A referendum is a good, democratic and constitutional instrument for separation, certainly a first step. This, of course, does not mean that we wish to attain our goal overnight, but the possibility as of now exists.

[LIBERATION] As the ultimate goal, Slovak independence is then inevitable?

[Carnogursky] I believe so, yet Slovak independence will not be achieved by the breakup of Czechoslovakia alone. It will be implemented through its integration as part of Europe. I believe the Czech and Slovak Republics will negotiate for specific positions in the European Community. Slovakia is already sovereign in many areas (education, culture, health care, justice). We wish to carry this process much farther.

[LIBERATION] Can you describe the scenario of Slovak independence as you see it?

[Carnogursky] If the European Community refuses to admit Slovakia in its midst by saying "we want a unified Czechoslovakia," Slovakia is prepared to secede. The constitution makes this possible. If conditions for admission into the European Community are unacceptable for Slovakia, Czechoslovakia will disintegrate. Anyway, I believe the Czechs prefer to enter the European Community without us. Their economy is better than ours and they are better equipped for the imperatives for admission.

[LIBERATION] Is Slovakia approaching a historical milestone?

[Carnogursky] Yes. Our problem now is to gain independence not by a brutal separation and violence, but by peacefully joining Europe. The process leading to independence must respect the principles of the Czechoslovak constitution and be in accordance with nations' right of self-determination.

[LIBERATION] Yet, there is a tradition of coexistence between the Czech and Slovak nations?

[Carnogursky] At this moment the tradition is strong enough to prevent a breakup of the state. If a crisis develops, however, it will not be sufficiently strong. This is one of the lessons of the Czechoslovak Republic between the two wars. The united state survived this period, even though there was constant tension between the two nations. As soon as an international crisis developed, however, the state disintegrated. I believe that events in Yugoslavia and the Soviet Union will be reflected here. The Slovaks believe they belong to an internally strengthened nation. The Czechoslovak federation is not their priority, the opposite is true. We would like in the future to strengthen and develop this feeling of belonging.

[LIBERATION] Your goals then in the final phase are the same as those of the small nationalist parties which openly and loudly proclaim independence?

[Carnogursky] We can say that. My own approach, however, is more progressive, more European. I am not an ally of the Slovak nationalists. I would like to join hands with nations striving for their national identity in the heart of a future Europe.

[LIBERATION] Public opinion polls, however, show that a mere 16 percent of the population in Slovakia demand independence?

[Carnogursky] That is true, but more than 50 percent demand more sovereignty. To demand independence is to dare tread on uncharted and perilous terrain. Slovaks are afraid to take this step, fearing violence, such as we are witnessing in Yugoslavia. I believe that a peaceful process toward independence will gain favor of a great majority.

[LIBERATION] Is independent Slovakia economically viable?

[Carnogursky] This is a touchy problem. Progress toward market economy would probably be faster if Slovakia could carry out the reform alone, without the burden of central control.

[LIBERATION] When exactly will Slovakia become independent?

[Carnogursky] I aim for the year 2000, that is, the moment of decision relative to the entry into the European Community.

Czech Comment on Carnogursky Controversy

Deputy Chairman of Czech Parliament

91CH0765A Prague OBCANSKY DENIK in Czech
23 Jul 91 p 2

[Unattributed article: "Understandably, Yes or No?"—first paragraph is OBCANSKY DENIK introduction]

[Text] Slovak Prime Minister Jan Carnogursky granted an interview to the French daily *LIBERATION*, on which we comment elsewhere. The following is a statement on the interview by Jan Kalvoda, deputy chairman of the Czech National Council.

My feelings are mixed. I am glad that Carnogursky is candid, that he does not say "I want a common state so constituted that it can really be two states." Such doubletalk has been served to us for too long already. This particular stand is more honest, it is his view of the future of the Slovak nation. I am a bit surprised at this view. I still miss his response to arguments that the attempt to enter Europe of two sovereign national republics will be slower than would be the case with a Czechoslovak federation. These are things which make me ponder deeply. J. Carnogursky is obviously a legalist—he advocates a sovereign Slovak state instituted by constitutional means. So be it. I know of no better way than to make this goal a firm program and understandable requirement at a time when we are dealing with the new constitutions. In other words, right now. On the other hand, I do not understand the Slovak Prime Minister when he speaks of a somewhat Leninist modification of a "withering" federation. Such language perhaps echoes a shrewd dweller of our mountain regions, namely, a joint state, yet not too joint, and only for certain seasons. Expressed by a politician, however, it is unacceptable, as is for Czech politicians to flirt with it.

I am at a loss to understand J. Carnogursky's concern that "Slovaks are afraid to demand independence because they fear violence of the type we are witnessing today in Yugoslavia"! Interpreting this analogy, I must conclude that the Slovaks fear the Czechoslovak army. This is a truly incredible argument. If J. Carnogursky fears occupation of Slovakia by the Czechs and federalists, I assure him that I see rather the opposite extreme, equally harmful to a common state, namely, "let the Slovaks go where they please." Since I wish to express my views candidly, I should add that I do not subscribe to the latter. I continue to believe that negotiations on a common state have not yet been exhausted.

Back to the point, my view is that still in this calendar year politicians elected last year in both republics must find agreement either on a common state, or demise of the federation, hopefully by constitutional and civilized means. Views expressed in the interview can no longer represent the negotiating positions of the Slovak Republic, for they demonstrate mere wishful thinking and a naive slant of European reality. Slovak representatives must formulate their concepts of a common state (if they have any) or equally clearly present their philosophy of its demise. There is no time for intellectual games, such as those resounding in the J. Carnogursky interview.

MLADA FRONTA Editorial

91CH0765B Prague *MLADA FRONTA* in Czech
24 Jul 91 p 2

[Editorial by Martin Komarek: "Slovakia 2000"]

[Text] And so here it is! What a year ago was shouted in public squares is now expressed a bit more elegantly by Slovak Prime Minister Carnogursky.

In an interview granted the daily *LIBERATION* he said that "Slovakia is to become independent by the year 2000." This time, it is not likely that he would revoke his statement, as happened some months ago when he offered similar views to an Austrian periodical. For then it was quite possible that come autumn, Mr. Carnogursky might no longer be prime minister, had he stuck to his guns.

The situation in the Slovak government is very sensitive today. As to public support, if the elections were held now, they would be swept by the opposition, represented by Meciar's Movement for a Democratic Slovakia, the Slovak National Party, and Weiss' Party of the Democratic Left, which together represent more than three quarters of the vote. Moreover, even within the Christian Democratic Movement there is growing anti-Carnogursky sentiment. Representatives of this trend allowed themselves to be heard when they voiced their demand for a Slovak militia. Promotion of purely Slovak interests has become permanent in the consideration of a politician's future career.

Carnogursky, of course, with his political know-how is still not closing any doors. While sending clear signals to the Slovaks, he can always say to the Czechs "this is my personal view, expressed in a mere media interview, rather than officially in the political arena."

We can criticize the tone of the Slovak press which brands demonstrators against the Gabcikovo project traitors to the nation. We can criticize accolades to the fascist "state" and expressions of primitive anti-Semitism. Czech politicians can rightfully call absurd Carnogursky's linking Slovakia to Slovenia. Nevertheless, even such words most likely have a secret meaning, namely, to foster sympathy for the "oppressed" Slovak people.

For public opinion in the West, which does not distinguish among the former satellites, the similarity is acceptable. The tendency toward strengthening Slovak national consciousness is obvious and, I believe, irreversible, consequently, Slovak politicians are not about to ignore it. What a few months ago was considered extremism, today reflects public moods. While public opinion polls may not be too accurate, it is clear that defenders of the federation are losing ground. The question to be resolved by future historians is to what extent Czech and federal politicians themselves contributed to this state of affairs through lack of understanding and arrogance.

I am afraid that, while Czech ears are receptive to pro-federation arguments, Slovak ears prefer the opposite. And, since we no longer live in real socialism, popular will—whatever we may think of it—has become an irreversible reality. Thus it would probably be wise to consider without sentimentality the future of Bohemia and Moravia. For “around 2000” may well become 1992.

Czech Leader Comments on Referendum

91CH0762A Prague REPORTER in Czech No 29,
18-25 Jul 91 p 3

[Article by Daniel Kroupa, Civic Democratic Alliance: “Referendum! We Can No Longer Live in Uncertainty”]

[Text] The state juridical arrangement of Czechoslovakia is returning these hot summer days to the front pages of newspapers and periodicals. I am not a lawyer and cannot judge all the rules governing the right of our nations to self-determination. I believe, however, that we should consider carefully with what haughtiness and carelessness we are today placing the achievements of our ancestors in doubt.

The formulation of nations' right to self-determination is contained in documents of the Helsinki Conference, in which the basic prerequisite for this right is expressed in confirmation of the postwar borders of European states. Application of the self-determination right of small European states, however, places these borders in doubt, opening doors to problems so familiar to Europe from the years 1914 and 1939. Yet, no nation, be it Slovaks, Lithuanians, Estonians, or Slovenes, can be denied its right of self-determination.

The Slovak political structures proper cannot be built in the manner they emerged historically, i.e., on the basis of myths, absolutist principles or totalitarian ideology. Self-determination of the Slovak nation in the contemporary word can come solely from an election process. Application of the right of self-determination usually also implies legislative acts within the framework of already existing state entities. In Yugoslavia, we mean Slovenia and Croatia, in the CSFR, Slovakia, which, by the way, today represents the most diversified area of our state. To apply the self-determination right in Czechoslovak conditions, we have no other choice but to resort to a civilized resolution, namely, a referendum.

Even a referendum, however, cannot and will not determine whether or not citizens of our federation have the will to continue living in a common state. A popular vote on the self-determination of the Slovak nation undoubtedly carries more weight than the voices of politicians and political adventurers who, without mandate, claim the right to decide on the division of Czechoslovakia. Nonetheless, even the principle of popular ballot as a state-building factor is open to question. Let us try to deal with the question of who actually created our common state and who, therefore, has the right to bring about its demise? Are these perhaps voters who, at a

given period in time will choose according to their sentiment of the moment? These voters did not create our state, they merely inherited achievements of their ancestors. Moreover, should not the right of decision on Czechoslovakia's continued existence include those most dramatically affected by future developments, namely, the young people who will govern after us? As far back as the 18th century, Edmund Burke included in his visions of state-building, past, present, and future generations.

Not even today should we be so arbitrary as to believe that we have the instant right to decide whether to salvage Czechoslovakia or destroy it. I consider it, therefore, vital to insist in our legal code on checks and balances which would prevent momentary moods, excitement, and political demagoguery from destroying the state in which we live. I believe that one such safety valve might be repetition of the referendum in 10 years. Many of the Slovak separatists today argue that the Czechs have harmed the Slovaks in the past and that, therefore, the Slovaks are entitled to seeking their fortune in an independent state. I do not wish to repeat here all the arguments and counter-arguments of both sides, in my opinion, such debates lead nowhere. I am afraid that a destructive policy will bring no benefit to Slovaks, nor the Slovak Republic. Yet, we cannot any longer live in uncertainty.

On the Czech side, there is also growing disgust with Slovak accusations. The offended Czech soul increasingly demands that politicians cease their opposition to Slovaks leaving the federation, thus putting an end to this unproductive conflict. Such sentiments will undoubtedly grow in the coming months, spurred by the controversies in economic policy of both republics.

All separatist demands of Slovak representatives today have one thing in common, i.e., the effort to decide immediately, under the present political constellation and current popular sentiments. If Burke was right, however, such a basis for decision on a common state, is wrong. We should try to gain space and time away from our current disputes, and ponder with cool heads on the historical and territorial consequences of our often ill-considered action. If Czechs and Slovaks divorce, they will still be neighbors. When a marriage breaks up, both partners may move wherever they wish. For our two nations, however, there is no other place on this planet, only the one next to each other. Both republics would remain where they are and the border separating them would perhaps be recognized by both sides. Nevertheless, Central Europe would become more splintered, less stable and, instead of self-determination and independence, both sides could become playthings in the hands of stronger neighbors.

This fact was already recognized by Tomas Garrigue Masaryk, when in his book *Czech Politics* he defined our national program. He did not demand sovereignty for the Czech nation, but emphasized “non-political politics.” According to Masaryk, sovereignty of the Czech

nation would derive from moral superiority, better education, and achievements in arts and sciences, leading to high economic independence.

In that respect, our nations today are worse off than after the First World War. We are neither an economic and intellectual force, nor a nation whose political strength and military capability then exemplified by the legionnaires, was respected by all neighbors. Currently, Czech and Slovak heads are replete with irrational fears of being "bought out" by foreign capital, along with a yearning for the prosperity of our western neighbors. It is certain that the breakup of the CSFR into two independent states would bring primarily poverty and disastrous submission to powerful neighbors. I believe that, despite momentary negative views and pressures, we should continue to strive for the maintenance of a common state.

Chance of Keeping Joint State Said Minimal

91CH0843A Prague SOBOTNI TELEGRAF in Czech
8 Aug 91 p 13

[Article by L. Smida: "The End of the Federation"]

[Text] When, in November 1989, a new era in the history of our state began, very few people surely expected that, a year later, the preservation of its existence would be a key question.

As early as the beginning of 1990, the eastern portion of the republic was sending out signals which seemed absurd and incomprehensible to citizens who were engaged in making rational considerations during such serious and moving times. At that time, the majority hoped that the situation would calm down. Today, these signals are already formulated into programs for political groupings and are clearly sounded in speeches made by their representatives. If we monitor the press in Slovakia, we get the feeling that in recent years this area was not governed by a Bolshevik clique, but by some imaginary grouping of Czechs and "Prago-centrists" with out-and-out imperialistic ambitions. That is why Slovakia sees no other way out except to become an independent state. Moreover, the Czechs must compensate it for everything which was damaging to the Slovaks in the past.

To get at the absolute truth in the thicket of historical facts is surely very complicated. However, for purposes of fundamental orientation, equally applicable to both entities, one can use a relatively reliable comparison between the final status and the status at the beginning. In our case, the comparison involves the historical lands of the Czech Crown and Slovakia.

At the time of its formation, the situation in both parts of the land was fundamentally different. While the eastern portion was virtually void of industry and used its last strength to defend against consistent Magyarization, the western portion of the land was joining the then developed European industrial countries. Today, industry and

housing construction in Slovakia are, for the most part, new with relatively modern technological equipment; in the Czech Republic, we are more apt to find historical industrial facilities, decaying city centers, and technological equipment in enterprises dating back to the time of the first republic.

Of course, Slovakia can complain about problems involving conversion. However, it will be difficult to explain why this should be contributed to by a taxpayer working in a textile mill in the Czech border region. His salary was low in the past, among other things, so that the Slovak armaments plants and heavy industries could pay peak salaries. The argument that these capacities were built against the will of the Slovaks does not hold up. It is difficult to believe that such a giant equalization of the level in both territories was merely the consequence of better economic results in the eastern portion of the republic. It is sufficient to recall the nationalities of Comrade Husak and Comrade Bilak, who governed here for 20 years. The fact that the Czech nation has, at the very least, an equal balance sheet with respect to the Slovak nation cannot be doubted by any sensible individual.

For the future, the current political situation will be decisive. Forces which can influence arguments regarding clamoring politicians and the silent majority will not prevail. Even if doubt can be cast on the orientation of the electorate during the first free elections, a gross orientation is also available as a result of public opinion polls. The views of the Slovak public do not differ substantially from the political distribution of forces.

The following are the political representatives of Slovakia:

Slovak National Party [SNS]. After some hysterical beginnings, this party very rapidly became consolidated. In contrast to its former chairman, Moric, the current leadership has very capable people. The party is enjoying the financial support of Slovak emigres; there can also be no doubt regarding its intentions and one must, therefore, continue to figure that its positions will be strengthened.

Party of the Democratic Left (Communists). There can be no illusions regarding the complete loss of this party's popularity. Thanks to the rapid rise in the standard of living in Slovakia, this party is not as discredited as are its colleagues in the Czech lands. Moreover, it is advantageous for this party to place the blame for its transgressions on someone else. Many continue to hope that the situation will turn around, although Big Brother in the east has his own important problems. Slovak independence would substantially increase their chances.

Movement for a Democratic Slovakia [HDS]. This movement (which is closely connected with the personality of former Prime Minister Vladimir Meciar) is a platform for politicians with largely leftist orientations,

seeking to connect their ambitions with the implementation of the leadership tendencies of their chairman. They will connect their path to power with a populist policy and, as has been shown by recent events, they can be expected to gradually draw closer to the Communists. On the Czech political scene, there is a similarity between them and the generation of the "68-ers."

Christian Democratic Movement [KDH]. Currently, this is the strongest political grouping. The vocabulary of its chairman, the current prime minister, Mr. Carnogursky, does become moderate from time to time, but to believe in a fundamental change of goals is the worst political variant. The KDH is the political representative of the Slovak Catholic Church. During the period of the Slovak State, the church governed without restriction and efforts to return to these positions are evident. A connection with the largely atheistic west is of considerable disadvantage for its intentions.

Public Against Violence [VPN]. This movement represents perhaps the single most significant force which has a pragmatic view on the arrangement of the state and which has a daring economic program. However, it is highly likely that it will fail to achieve decisive positions and an influence, even with Jozef Kucerak at its head.

For the majority of the political forces in Slovakia, partition of the state is clearly an advantage. The reason why this has not already occurred is very likely the fear that, in the ensuing political and economic chaos, the immediate initiators of the disintegration of the state need not emerge as victors. Another reason will clearly be the economic problems and fears of the reaction by the European Community and by Hungary. Nevertheless, any realistic prospects for maintaining a joint state without a radical change in the political ratio appear negligible.

The question remains as to when Czech politicians will fully realize this fact. When, at the beginning of June, V. Klaus defined the extent to which it made sense to make concessions to Slovak pressure, hysterical clamor was raised on the Czech side. To believe that, under the current situation, the situation may calm down after the fulfillment of the current Slovak demands is, at the very least, naive. We have extremely bitter experiences involving a policy of appeasement. To the extent to which a joint state is to have any meaning, it must be functional and there must be bilateral will to forge it. Without these prerequisites, there is no point in continuing a discussion about it. It is necessary to say this to the other side directly and without any wrappings. Constant concessions and accusations hurled against anyone who calls a spade a spade does not represent political tactics, but cowardice in the face of the actual decision.

Politicians Discuss Election Systems

91CH0761A Prague REPORTER in Czech No 29,
18-25 Jul 91 pp 10-12

[Article by Leopold Humpal: "Political Immaturity and Change in the Election System"]

[Text] Some time ago, President Vaclav Havel presented on the TV program "What the Week Brought" his thoughts on changes in the present election system. He spoke of a majority, or mixed, system which would include elements of the majority system, as well as those of proportional representation.

Today, when we clearly see certain shortcomings in the existing system—and coalition parties and movements in a premature pre-election campaign hit each other below the belt—discussion of a more effective system is certainly needed.

Czech government spokesman Vladimir Zelezny told us the following of the premature agitation enthusiasm of certain parties: "Starting the pre-election campaign too early is disastrous not only for those who engage in it, but also for society as a whole. It is an exhausting operation which the public should be subjected to only every two or four years. No society can tolerate a pre-election campaign lasting a full year, since this brings about a momentum of hardening positions, as well as forcing issues into less constructive avenues. In the period between elections, we must ensure normal social and economic life, in other words, the coalition government must be fully functional. I ascribe certain irresponsible statements of some parties to their lack of experience."

Minister of Trade and Tourism Vlasta Stepova, responding to the same question, stated: "I am afraid that premature election hassles will cause people to lose confidence in political parties, and begin to wonder whether anything positive is being done at all. I believe that good results are the best political campaign for the governing coalition, above all, achievements in the economic sphere."

What is it really that prompts parties and movements to engage as early as now in these pre-election hassles? There are many reasons, most probably stemming from immaturity in our political arena.

This brings us to the question to what extent our electoral system shares in the present state of affairs, by clearly favoring political groupings over individuals? Would it not be better to change it to a majority or mixed system? We posed this question to several Federal Assembly deputies. Their replies may be divided into three categories:

1. Support of the existing system, allowing the possibility of a mixed one.
2. Agreement with changing it to the mixed variety.
3. Support for a majority or mixed system.

Zdenek Jicinsky: "In comparing the majority system with proportional representation, we should not be saying that one is good and the other bad. We must take local conditions and experiences into consideration. In the CSFR, we should focus especially on evolution of the political scene. I feel that proponents of the majority system have failed to analyze contemporary politics correctly. With this variety we would have formation of forced coalitions which tend to collapse soon after the elections. The vision that an optimum democratic structure is secured by a few large parties, is wrong. The majority system alone cannot produce such a structure. On the contrary, this would bring about serious polarization of society. There would be great tension between the governing coalition and a considerable portion of the public which would remain unrepresented in the Federal Assembly. A government depending solely on a parliamentary majority would not be a strong one, since it would face ensuing social unrest and conflict. For this reason, I favor the proportional electoral system, while not excluding a variant of the present system in Germany. A system similar to that in Ireland, is not, in my opinion, the best today. I feel that parliament should reflect the structure of the principal political forces and become a place which seeks consensus. I favor retaining the 5-percent clause, for otherwise we could end up in parliament with one or two representatives of the 60 political parties we have today."

Jiri Schneider: "It is a mistake to use only two terms, i.e., majority electoral system and proportional representation. There is, in fact, a whole scale of variants, and in discussion we must clearly define that of which we speak. I consider the proposal to change the present system as unlikely to pass in this Federal Assembly. Parties represented here under the present system will hardly wish to change it. The advantages of the majority system (as enunciated by President Havel) may be achieved by modification of the present system. In reality, however, two questions come to mind, (1) what is the best system, and (2) what is achievable in this parliament as presently constituted? Moreover, it is premature to discuss the electoral system, without knowing the structure of future legislative bodies. Should the future parliament be bicameral, a mixed system, something on the order of the German, would most likely be best, i.e., one chamber elected through proportional representation, and the other by the majority system. In our country, the latter (due to many nationality minorities) is greatly dependent on the boundaries of electoral districts. In addition, a full majority system would lead to parochialism where each deputy would favor local interests over those serving the republic as a whole. Should the future parliament be unicameral, I would strive for a certain border system, meaning proportional representation, while allowing election of individuals without limitations of the electoral slates."

Vaclav Benda: "The majority system is essentially an unfair one. In an extreme case, it can give a party with 26 percent of the vote, a majority in parliament. On the

other hand, there is the advantage of a certain comfort and monolithic features in governing. These, however, are more applicable to countries with long-established political stratification, and where there are two or three strong political parties. I cannot visualize the consequences of the majority system in Czechoslovakia where the political arena is severely splintered. Those gaining from it would be the nationalist parties and the communists who have monolithic adherents in certain areas. Should this system be implemented, as is the wish of the president, it would result in the same situation facing the Civic Forum in its beginnings, and political differentiation would again occur only in the elected parliament. As long as personalities do not organize parties, these end up with special interest groups of a nationalist, socialist, and regional character. Such a system then becomes to resemble Franco's Spain, rather than democracy. The quality of the election law is one thing, the other is how the electorate and political parties are able to act under it. Time also favors the present system. The constitutions will not be ready before the end of this year, at the earliest, which leaves only two months at best for the election law."

Michal Prokop: "I consider as optimal a combination of the systems. People prefer to vote for personalities, yet I think that individuals often have just as hard a time in reaching consensus as do political parties. A parliament composed of personalities could function no better than an orchestra composed exclusively of soloists. The ideal would be a combination in which the parliamentary base would be the parties while, at the same time, personalities would also play a role."

Jan Sokol: "We labor under the erroneous notion that the electoral system can accelerate maturing of the political scene. What it should rather do is to achieve stability. If a majority system is introduced, two things may happen. Either there emerge forced pre-election coalitions which will cease to exist right after the ballots are cast, or there will be more electoral slates, with the ensuing parliament possibly representing only 25 percent of voters. Too much power in the hands of political parties is often cited as a negative feature of proportional representation. Yet, the influence of parties in a pre-election campaign is quite legitimate. In our conditions, the German electoral system would probably be the best."

Petr Uhl: "I favor the majority or combined system. Single-mandate areas should be changed. A portion of the deputies should be elected through electoral slates, part at the place of residence. I am not sure something like that could be achieved on the floor of this Federal Assembly, since polarization is constantly on the rise. For me, this means denial of a popular principle of democracy of which we dreamed. We see quite clearly the disadvantages of proportional representation. A deputy is more accountable to his party than to the electorate, since his work is determined by the party leadership. People known only from the electorate slate

often become deputies. In a majority system, people will pay more attention to personal characteristics than to party slogans."

Michal Kocab: "From the very beginning, I have striven, together with the president, for the majority system. A combination system of the German type is also interesting. The advantages of the majority system are clear, i.e., the voters know for whom they vote, they are better informed, dedicated people get elected, their profiles are well known, etc. Its negative is that a person may be elected on purely non-political prestige. The question is how to handle the parties which have been harmed by the majority system. This is another reason why I would propose a combined variant which joins the best features of both."

New Oil Pipeline for Czech Republic

91CH0826A Prague LIDOVA DEMOKRACIE in Czech
1 Aug 91 pp 1, 3

[Interview with Eng. P. Hlavnicka, director of the Department for Petroleum Processing of the Ministry of Industry of the Czech Republic, and his deputy, Eng. P. Babka, doctor of jurisprudence, by Karel Zitek; place and date not given: "The Pipeline Will Be Purely Czech—The First Petroleum From Ingolstadt Will Flow at the Latest by April 1994"—first paragraph is LIDOVA DEMOKRACIE introduction]

[Text] Last year's gasoline-buying fever, which was caused, among other things, by a curtailment in the supply of Soviet petroleum to Czechoslovakia and by the television appearance of the Slovak prime minister who stated that petroleum reserves were only sufficient for two days, is still alive in our memory. Following these experiences, it would not be very sensible for us to rely only on the single Druzhba pipeline in the future. Therefore, a constantly more important role is beginning to be played by the Adria pipeline from Rijeka in Yugoslavia. Plans also call for extending the Transalpine pipeline which leads from Trieste to Ingolstadt in Germany. From there, it is supposed to continue to Litvinov and Kralupy. And it is specifically regarding this latter pipeline, which will go directly to the Czech Republic, that we spoke with Eng. P. Hlavnicka, director of the Department for Petroleum Processing of the Ministry of Industry of the Czech Republic, and his deputy, Eng. P. Babka, doctor of jurisprudence.

[Zitek] In contrast to the transit pipeline, the Druzhba pipeline ends in Czechoslovak territory. It has always bothered me some that the imaginary spigot by which it is closed off is located outside of the territory of the CSFR and, in the final analysis, even outside of the Czech Republic. Are you also figuring on the new pipeline to provide us with an alternative?

[Answer] It is more a question of all forecasts which deal with the export of Soviet petroleum being pessimistic, particularly with regard to quantities. Of course, it is also necessary to diversify petroleum routes so that we would

not be dependent upon a single partner. For example, the Adria pipeline passes through Yugoslavia, which is having problems today. Moreover, its capacity is inadequate. We must also not forget that petroleum which passes across Slovakia will cost Czech refineries more than, say, the Slovnaft Enterprise would have to pay. Those 515 km which separate us represent a transport route which must be paid for. The same will be true in the opposite direction. The flow of petroleum to the refineries is a matter for the republic rather than for the federal authorities in terms of transport costs.

[Zitek] In what stage are the preparations for building the new pipeline?

[Answer] Currently, we are preparing materials for the Economic Council of the Czech government, the Chemoprojekt in Litvinov is finalizing the specifications for the construction; they have not yet begun with the design. Currently, there are negotiations regarding the supplier system for the construction on the territory of the CSFR—the route and the so-called right-of-way. For the present, we have made decisions regarding suppliers for the construction portion.

[Zitek] How long will the pipeline be, how much petroleum will flow through it in a year, what will it cost us, and when will it begin to serve us?

[Answer] Two variations are being considered for the territory of the FRG. The longer route would be 174 km, the shorter route would be 27 km less. All indications are that the shorter one will be selected. This means that the pipeline would measure a total of 323 km and its capacity would be 10 million tonnes per year. The most expensive variation figures on total costs being 9.5 billion Czech korunas [Kcs]. If the shorter route were to be approved and if our suppliers could do some of the work and make some of the deliveries in the Federal Republic, this figure could be lower by as much as Kcs1 billion. The pipeline should be finished by the end of 1993 and should be activated, at the latest, by April 1994.

[Zitek] Who will finance construction?

[Answer] We are figuring on supplier and bank credits, as well as on foreign capital participation. In view of the fact that this is a strategic investment, the materials being prepared for the Economic Council of the Czech government propose that this pipeline remain predominantly under Czech ownership.

[Zitek] I was somewhat startled during last year's gasoline crisis to see how low our supplies of petroleum are. Do you anticipate that we would establish reservoirs for petroleum similar to those which we have for natural gas?

[Answer] It is definitely necessary to establish a strategic reserve of petroleum. By decree of the federal government, the Federal Ministry of Economics is charged with

coordinating and securing financing for such construction. Preparatory work has already been initiated in collaboration with the two republics. In connection with construction of this pipeline, we expect construction of a so-called tank farm repository having the capacity of 800,000 cubic meters. This will be a ready and manipulable set of petroleum tanks for the refineries. It will also facilitate the mixing of petroleum from various resources to the desired quality.

[Zitek] Where will we import the petroleum from via this new pipeline?

[Answer] What is involved is that its route should be as short as possible because transportation by sea costs a lot. In other words, it will handle petroleum from West Africa and North Africa, from the Near East. However, it is not out of the question that perhaps Norwegian petroleum—from the North Sea—might reach us also.

[Zitek] Will the 10 million tonnes annually be sufficient for the Czech Republic?

[Answer] Certainly. The processing capacity of Czech refineries is 8.5 million tonnes; this quantity covers the requirements for motor fuels on the territory of the Czech Republic, excluding Moravia, which is supplied by Slovnaft. The capacity of Slovak refineries is approximately 7.5 million tonnes per year.

Power-Sharing Struggle for Communications

91CH0826C Prague RESPEKT in Czech No 31,
5-11 Aug 91 p 5

[Article by Vladimir Mlynar: "The Battle for Communications; The Republic Ministers Are Rending the State"]

[Text] Communications are the nerve system of every state. Moreover, during times of defense threats to the country and during natural disasters—they play a strategic role. It is difficult to imagine that in case of need the central organizations would not be able to communicate with the other end of the state. In today's Czechoslovakia, however, this is no longer merely a theoretical notion.

When the Federal Assembly last year approved the much anticipated jurisdictional law, to the applause of the delegates, communications was one of the few items which remained under the jurisdiction of the federation. The Federal Ministry of Communications (FMS) is attempting, in vain, to exact those rights from the republics which were guaranteed to it by the Constitution as well as by the jurisdictional law. Given the fact that there is no constitutional court, the decision of which would be generally respected and adhered to, and in face of today's stubbornness on the part of the republics, the current situation appears to be unsolvable. This is far more dangerous for Czechoslovakia than the rhetorical floor exercises by the Slovak prime minister regarding independence or the "Czech" policy of Petr Pithart. In the shadow of political proclamations

regarding the search for national identity, an authentic federation, and a return to Europe, one of the most important links of the republic is falling apart.

Jurisdictional Dispute

On 1 May 1991, the agreement between the FMS and the republic ministries for economic policy went into effect; among others, this agreement passed the founding jurisdiction of state communications enterprises (the Administration of Posts and Telecommunications, the Administration of Radio Communications, the Spojprojekt Enterprise, the Profis Enterprise) to the republics. The agreement was prepared by Theodor Petrik (KDH [Christian Democratic Movement]), former federal minister of communications, but it was signed by his successor, Emil Ehrenberger (independent). At the time he signed the agreement, he had been in office only a few hours. Mr. Petrik allegedly told him that everything was in order, that the agreement had been worked on for a number of months, and that it should be signed without delay. However, Minister Ehrenberger soon determined that the agreement ran counter to any kind of logic and, moreover, was in violation of the constitutional law on the Czechoslovak federation. The latter places the "organization and management of a unified system of telecommunications" in the jurisdiction of central organs. Therefore, the minister proposed to the republics that they conclude a supplement to the agreement which might correct its anticonstitutional portion; however, he did not succeed.

Yet Another Slovak Ministry

The republic ministries claim that the law was not violated because the role of the FMS, according to them, is strictly the "organizing and methodical and specialized management of the industry," whereas the implementation of state administration and the direct economic management of enterprises is a matter for them. This is, of course, clear nonsense because the FMS would have a difficult time "organizing and managing" something which does not belong to it. Moreover, the law on state enterprises clearly states that an organization can be managed only by its founder.

Minister Ehrenberger first proposed to Minister Dyba on the Czech side and Minister Belcak in Slovakia that, in the interest of adhering to the provisions of the constitutional law, the founding rights for enterprises be transferred back to the FMS. He also offered them the postal service, after separating the postal and telecommunications network, which was under preparation. However, both republic ministers rejected the proposal, claiming that it would "violate the economic sovereignty of the republics." The minister reacted on 11 June of this year with another letter in which he noted that he was "distancing himself from the agreement and considers it to be ineffective from the very beginning, because it is in conflict with the constitutional law." Moreover, he requested the circuit courts in Prague 1 and Bratislava 1 "not to accept any initiatives for the implementation of

changes in the records of founding listings without the approval of the FMS." The same position was taken by the federal government as well as by the economic committees of both houses of the Federal Assembly. Both of the republic prime ministers were also informed of the entire situation by a letter written by the minister of communications. However, the Slovak side reacted to the federal efforts to establish legal order in what has become its customary manner: On 10 July 1991, the SNR [Slovak National Council] approved a law which disestablished the Ministry for Economic Strategy and established a Ministry of Transportation and Communications of the Slovak Republic, effective 1 August 1991. Moreover, the new ministry was immediately strengthened by the addition of 40 employees from the Slovak Ministry of the Interior.

On 17 July of this year, the meeting of the three prime ministers once again took up the crisis situation. Prime Minister Petr Pithart conducted himself in a traditional manner: He recognized the untenable nature of the present status, but nothing more. The Slovak prime minister was more precipitous and claimed that the delimitation treaty is in order and forced the establishment of a legal and specialized commission to evaluate the entire matter.

The conclusion of the commission was unequivocal: "To the extent to which the agreement changes the jurisdiction of the CSFR in favor of the republics, it violates the constitutional law and is null and void. This is an agreement which has no legal effect. It need not be taken into account, nor is there any need to rescind or to change it. It should be regarded as though it had never been issued." However, Jan Carnogursky is even refusing to accept this conclusion by the commission.

The existing legal arrangement stipulates that enterprises cannot further divide themselves on their own. This is a right granted only to their founder. The republics are not only usurping the functions of founder, but do not even have an adequate apparatus for the area of communications which could be preparing the breakup of the enterprises. The FMS, which has an adequate number of specialists at its disposal, is losing energy by this struggle for founding jurisdiction. This means that today's communications enterprises are remaining in the form of giant establishments without any hope for privatization. Thus, the Czech and Slovak republics, by insisting on adhering to an invalid agreement, are not only in violation of the Constitution and of the jurisdiction law, but are, in fact, hampering the economic reform in the area of communications.

The dispute has already taken on absurd dimensions: The Belcak ministry is refusing to recognize the new director of the radio and telecommunications administration in Bratislava, who was appointed by the "federals" after a competition. The newly appointed director is virtually engaged in a tug-of-war with the former director, who was illegally appointed by Mr. Belcak, for office space.

A Disjointed Federation

Apart from the legal aspects of the entire matter, the struggle for communications also involves a substantial amount of money, our international reputation, and, last but not least, even our security. Should the present status persist, this could lead to an actual breakup of the unified telecommunications net and, as a result, even to a partition of the state. The first indications of this are already beginning to be seen.

The Administration of Posts and Telecommunications (SPT) in Prague is preparing to make the distribution of newspapers and the postal and telecommunications service independent on the territory of Bohemia and Moravia. On the other hand, the Slovak SPT wants to retain the status quo (that is to say, a joint enterprise to handle postal service, newspaper distribution, and telecommunications), which is not only a threat to privatization, but could be the cause of differing tariffs on the territory of both republics.

Moreover, both administrations of posts and telecommunications are proceeding separately even in the international area. For example, the Prague SPT wishes to join the Danish project for interconnecting Poland, Czechoslovakia, Hungary, and Denmark, whereas the Bratislava SPT plans to solve communications with Hungary in its own way. In the event two differing telecommunications infrastructures should come about in the Czech Republic and the Slovak Republic, their "interstate" interconnection (according to a study worked out by the Atlantic West Company) would cost approximately \$12 million.

Moreover, the CSFR is a member of the International Telecommunications Union in Geneva. Member states of the union guarantee the transit of international telecommunications as a whole through their networks. Because we are members of the union as a single state with a single centrally controlled telecommunications network, it is difficult to imagine what would happen in the event our communications network were to break up (and lose its ability to handle through traffic).

In the event the federal organs fail to bring about order rapidly and fail to defend their rights given to them by the law, a similar situation could soon arise in other, hitherto federal, industries. Who will be next? The army or finances?

Czech Press Views Slovak Dam Controversy

Historical Background

91CH0829A Prague LIDOVA DEMOKRACIE in Czech
2 Aug 91 p 5

[Article by Petr Jokes: "Report on the State of Concrete on Our Streams: Fight for Gabčíkovo"]

[Excerpt] [passage omitted] The construction of the System of Hydroelectric Works Gabčíkovo-Nagymaros

was launched on the basis of a 1977 agreement between Czechoslovakia and Hungary. Although this was a "socialist construction," it has not had very much publicity since its beginning. Moreover, although it was known that the countryside south of Bratislava is beautiful, it was at the same time quite inaccessible, and therefore there were rather few of those—apart from Bratislava and Zitny Island—whom the plans for these enormous changes touched personally.

Features of the Ogre

This is the way the entire system was supposed to work after construction was completed: Below Bratislava, between the villages of Hrusov and Dunakiliti there is the first of dam. Behind it there was to be created a lake 20 km long (all the way to Bratislava), and with a surface area of 60 square km. From that lake leads the so-called shunt canal, 17 km long and up to 730 meters wide, which carries water—at a level 16-18 meters above the level of the land (!)—to another structure, the hydrocentral at Gabčíkovo. That is the dam known from many photographs and endowed with many sobriquets, the most apt of which I would consider the "concrete monster." What else to call a dam almost 1 km long that was not built on any river but in the middle of the agricultural land of Zitny Island? Water is to flow here through the aforementioned concrete-lined canal, and from there back to the Danube, again through a canal, but this one excavated down to 5 meters below the level of the land in order to achieve a descent of 23 meters needed for the operation of the hydroelectric plant. This plant was to have originally an output of 700 MW and produce peak current: The dam below Bratislava was to be "discharged" twice a day (understandably not totally) onto the turbine blades because otherwise the rate of flow would be relatively small. To balance out the "peak" afflux that will result under Gabčíkovo, another dam, Nagymaros, was planned on the Hungarian side.

Paper War

There are basically three reasons why the construction was started in the first place: improving the navigability of the Danube (Danube shipping will move along the surface of the shunt canal, 18 meters above the heads of the people in the surrounding communities), production of electric power, and, finally, flood control. To that add a fourth reason, and probably the most important one, namely, that the large state enterprises (in this case Hydrostav) needed (and still need) big orders from the state.

And reasons against? It does gross harm to the cultural countryside of Zitny Island, the feature of which has been a centuries-old symbiosis of man and nature, it damages the relationship between the local people and the land. Let us underline—their land. Further: 400 hectares of swamp forest fell victim to the construction. And if the Danube water really will flow into the shunt canal, the catastrophe will be even greater. The unique

area of swamp forest below Bratislava, fed by a well-known maze of river branches, will find itself on dry land: The water will flow elsewhere. Not quite, however, the planners magnanimously allocated to the old riverbed a so-called sanitary rate of flow of 50 cubic meters per second, later increased, under pressure from ecologists, to 350 cubic meters per second. Still tragically too little, when we realize that the ecosystem here needs a normal rate of flow of 1,000-1,500 cubic meters per second. Thus one of the nature paradises of Europe, home to several thousands species of flora and fauna, will cease to exist.

Of course, not only the swamp forest will be dried out. The aquifer and the Danube are like connected vessels, and a drop in water level in one means a drop in the other as well. Slovak ecologists calculate that there will be a yearly loss of 37,000 tons of wheat. Also threatened is the quality of the ground water under Zitny Island, the largest reservoir of drinking water in the CSFR, said to have the capacity to supply water to as much as half of Slovakia.

As is usually the case with such projects, the proponents of the construction brought scores of expert opinions and assurances that everything has been thought of and that they vouch for everything. The conservationists also brought scores of expert opinions, but entirely opposite ones, and they stated that they vouch for nothing. It was in the nature of the then political system that monstrous constructions were its idols. It was to be another monument to socialism, and the powerful gave their ear to the planners, not to the conservationists. And so merrily the construction began....

But it was not finished. The fateful year 1989 came, in front of the Budapest parliament 50,000 people demonstrated against Nagymaros, and under this pressure the Hungarian government officials stopped the construction. The Communist governments in Prague and Bratislava still mounted something like a retaliatory anti-Hungarian campaign, but their days were already numbered. November came, the "regime" collapsed like a house of cards, and many of those who in the past swam against the tide and risked much in the interests of nature and common sense, probably heaved a sigh of relief: Now the concrete monsters will have no chance. Unfortunately, they were wrong.

Csallokozi Viziszorny Nem Kell

Some politicians promised that they will stop the construction. So far, promises is all they produced. But the residents of surrounding villages and towns do not want to remain silent any longer: In Samorin they organized the Civic Initiative Euroretaz (OIE) which groups together citizens who do not approve of the construction. On one side of the canal there appeared a sign: *Csallokozi viziszorny nem kell* [in Hungarian]—Zitny Island does not need a water monster. Petitions were signed, and the Association of Towns and Villages on Zitny Island took a stand against the construction. But the

government of the Slovak Republic still is inclined—and this was clearly stated by premier Carnogursky at his recent visit to the construction—to complete it. How? That is hard to say, when the Hungarian side already announced a competition for putting the construction site back to its original state. Here arguments are made: We cannot stop the construction when we already put so much money into it (so far, 15 billion korunas [Kcs], another 7 billion to go, and to that we must add about 7 billion for ecological measures made necessary by the construction). The opponents say that that would be the smallest loss, because the so-called alternative C—completing the project only on our territory—is considered to be a total ecological disaster. Interesting is the view of the Federal Minister for Environment, J. Vavrousek: “I do not like the Hungarian position, because 95 percent of the ecological damage threatens Slovak territory. I do not consider it fair under those circumstances to go back on the agreement and “wash their hands” of the affair. Alternative C is disastrous, and I am convinced that even if we realized it, the international community would not allow us to put it into operation. The Danube is an international river, and one cannot do with it as one pleases.”

The Tower of Babel

The crisis erupted on 3 July, when Euroretaz announced a blockade of the construction site to protest the planned filling of the canal. We already wrote several articles in LIDOVE NOVINY about the blockade itself: The Slovak authorities have been ignoring the demands of the local people for a long time, and on Thursday and Monday the police even took action against them. On the other hand, a great many political parties and organizations at home and abroad expressed solidarity with this action, some with great authority.

I visited the site of the blockade on 12 July—the tenth day. The people who stood guard in the middle of the felled forest all agreed on the same thing: Nobody asked the opinion of the local people. There are also signs of injustice from the nationalist point of view—the population of Zitny Island happens to be 90 percent Hungarian, and so here they see the construction as a blow below the belt to the Hungarian minority. And the opinion of the residents? Mr. Jozef Lindner, an entrepreneur from the nearby village Cilistov, told us: “We are afraid. We are afraid that after the canal is filled the water in the aquifer will become polluted, and we also do not trust the protective dikes. We happen to remember how they were built.” About the financial benefits offered to the residents of neighboring villages he says: “No, that does not play any role. We want nature, livelihood, not money.”

I went to take a look at the concrete hulk of the dam at Gabcikovo, even though Dr. Varcekova, an ecologist from Bratislava who was accompanying me, tried to dissuade me: several people are said to have suffered a nervous breakdown upon seeing it. I am not surprised. At Gabcikovo a realm of concrete is spread far and wide.

Never in my life have I seen so much of this substance. Concrete dam, concrete lock chamber, asphalt-concrete bottom of the shunt canal several hundred meters wide, stretching somewhere beyond the horizon. With my editor Milan, we walked on the huge cement banks of the canal, and more and more the mass of dead matter reminded me of that ancient symbol of human vanity, the Tower of Babel. It is as vain, as self-absorbed, as threatening—and, if the creators of this achievement forgive me: I hope its end will also be the same.

Minister Urges Conciliation

91CH0892B Prague MLADA FRONTA DNES in Czech
7 Aug 91 pp 1-2

[Report by Jan Jelinek: “Gabcikovo: A Solution Can Be Found for Everyone”]

[Text] The bottom of the feed canal, through which water is to be propelled toward the turbines of the Gabcikovo power plant, is under water in places, by the Gabcikovo dam one can bathe in it, and upstream it is more like big puddles. But water is here, even though theoretically there should be none—its pumping was started sooner than it should have been according to the law. And even though the floating pumping station by Samorin is now out of operation, a few policemen are patrolling here and in the surrounding communities there is still unrest. Yesterday morning all local mayors met in Dunajska Streda in order to again present their demands concerning the completion of this project. But this time they did not have to force them on anyone. Minister Josef Vavrousek, chairman of the Federal Environmental Committee, came to hear them in person.

The position of the mayors was unequivocal: Immediately stop all construction work except on the flood control facilities. People do not want to live here under a constant threat of a possible disaster should there be a breach in the dikes of the canal through which water is to flow to the turbines of the Gabcikovo hydrocentral. Nobody here trusts the quality of the dikes, many know how they were built. One of the mayors formulated their position quite clearly: “We shall be against somehow completing the project, even if you succeed in persuading the Hungarian parliament.” Minister Vavrousek did not care for this statement very much: “Your position should not sound like an ultimatum. That leads nowhere,” he said. “At the moment we are in a situation where one side does not trust the other, it is an impasse from which a solution cannot emerge. I think the only correct procedure is to evaluate impartially all alternative solutions—from a total completion according to the original design to a total demolition. You, too, would have the right to comment on all the alternatives, what you see as their pluses and minuses.” Then up for discussion came another, thus far not too well known, alternative called H, which was proposed by Civic Initiative Euroretaz: Build nothing more, and leave the feed canal to its fate, to nature. On its bottom lush vegetation is already growing in places, and in time hundreds of

hectares of the forest felled during the building of the canal might grow back. The minister promised that he will see to it that this alternative will also be among those which will have to be re-evaluated. The minister then went to take a look directly at Gabčíkovo and from there to Samorin, the headquarters of Euroretaz. "So far the ministers came to look at us only from helicopters, you are the first one to come in person," observed the conservationists and reminded him of Saturday's drama when the police brutally and unnecessarily took action against them. It so happened that the demonstrators occupied the floating filling station only after its motors were already shut down because of the elevated water level in the Danube. Also in Samorin a number of Slovak reporters were waiting for Minister Vavroušek, who intended to challenge his views with what was said about the Gabčíkovo problem in recent days especially on Slovak television and radio. To blame the demonstrators, who allegedly caused the flood situation on Zitny Island because they prevented the pumping of water from the Danube, is absurd according to the Minister, same as the opinion that the effort to prevent the completion of Gabčíkovo is a joint Hungarian-Czech plot in which the Czech side is said to want to prevent the completion of the hydroelectric project so that it could supply electric power to Slovakia. "I am convinced that it is possible to find a solution acceptable for the local people and for the Slovak as well as the Hungarian side", summed up the Minister.

Present Conditions

91CH0829C Prague RESPEKT in Czech 5-11 Aug 91
No 31 pp 8, 9

[Article by Istvan Leko: "Gabčíkovo: They Will Build, We Shall Protest"]

[Excerpt] [passage omitted]

What Is Being Said

Two weeks ago the pumping of water from the Danube to the feed canal of the Gabčíkovo hydroelectric project began—under police supervision. The policemen were ordered in from other areas.

Eng. Julius Binder: "The pumping is a technological process of a trial operation of the canal, which was finished more than a year ago and exposed to weather conditions. In case of a sudden high water in the Danube and a confluence of certain unfavorable hydrological conditions, the bottom of the canal could break. Hungarian consent was not required for the filling of the canal."

The Hungarian side has an opposing stance. Gyorgy Samsondi does not agree with this step of the Slovak government: "The Slovak side maintains that the pumping of water is needed only for maintenance, but in our opinion, it is a step that makes it possible to start operation. It is the tactics of gradual steps."

Klara Benkovicova, representative of the movement Euroretaz: "Bushes and small trees have already grown up on the bottom of the canal, birds are nesting there. Nature is regenerating itself, and now they begin to ruin it and fill the canal with water. According to Mr. Binder's plan, at the beginning of October there will be 2 meters of water in the canal."

Oskar Vilagi, deputy for Public Against Violence [VPN] in the Federal Assembly, is planning to see the prosecutor general of the Slovak Republic on this matter. Nobody has a permit to pump the water in, therefore it is an illegal act. It would be interesting to hear what Slovak Minister of the Interior, Mr. Pittner, has to say about this matter—members of his police force are assisting there.

It is worth noting that the director of the enterprise Vodohospodarska Vystavba [Water Management Facilities] defends his truth by the same arguments which the Hungarian and Slovak ecologists are using in the effort to persuade the Czechoslovak side not to complete the hydroelectric project: "The sum of the adverse ecological, hydrological, and geological conditions could lead to a disaster."

The noted Hungarian ecologist Janos Vargha understands the attitude of the Slovak technocrats. He is convinced, however, that the Slovak technical lobby would have a different view of the Gabčíkovo portion of the hydroelectric project if it found a way to make money out of dismantling the concrete monster. It so happens that their Hungarian partners are making a profit from the liquidation of the Nagymaros portion.

Another interesting question comes up. The construction of the hydroelectric project is financed from the state budget, not by credit. Why? The plant is supposed to make a profit, so why doesn't some bank advance a loan for its construction?

What Is Happening

The blockade by the village Cilistov, which lasted a month, ended on 1 August. The protesters had nothing to block. They blocked the gates of the Hydrostav station, but the bulldozers knew what to do: Instead of going through the gates, they went directly through the fence; they drive across the fields of the local unified agricultural cooperative, and at night park out in the open.... A blockade makes no sense.

The large equipment is unfortunately still needed, because the water pumped into the man-made canal does not want to behave, it is disappearing, flows back. The pumps are all worn out because the water must overcome an almost 5-meter elevation differential. Policemen from far-off Trenčín closed the area where the work is being done. Nobody is allowed to go there.

Josef Nagy, an old fisherman and long-time worker in Hydrostav, says: "Maybe man cannot solve this problem, maybe the Danube will solve it for him, nature

itself. I saw with my own eyes how they built the artificial riverbed. Asphalt, in places 40 cm thick, but also in places only 5 cm thick, is laid on a layer of gravel 40 cm thick, under which a sheet of plastic foil was spread. That sheet must have holes in it because heavy equipment drove over it; I am not surprised that the water finds its way back to the river."

On 1 August Slovak Prime Minister Jan Carnogursky at last received the protesters. After a discussion lasting one hour they agreed that at the beginning of September a nation-wide discussion about this matter will begin. They did not discuss whether Ivan Carnogursky (deputy chairman of the Slovak National Council and director of Hydrostav) will continue to hold two important functions.

And conclusion? "The fact that the Prime Minister received our delegation does not mean that much. The result, you see, is that they will continue to build and finish up, and we shall continue to protest."

Kucerak's Speech to VPN Council

91CH0801A Bratislava VEREJNOST in Slovak
29 Jul 91 pp 1, 3

[Speech by Jozef Kucerak, chairman of Public Against Violence, at party meeting in Ziar nad Hronom; date not given: "Current Problems of Our Society and Movement"]

[Text] The November days of 1989 united virtually all citizens. The long years of opposition to the Communist Party's leading role, to spiritual oppression and personal unfreedom, to across-the-board egalitarianism connected with an unmerited material ostentation of politically privileged strata accompanied all of us through the first steps of political and economic change. In those days of enthusiastic effort we began to idealize our mutual relations, to create a semblance of permanent unity and mutuality. The civic movements which arose from this enthusiasm appeared to us as the only perspective of political life. We even began to imagine that it is again we, here, in Central Europe, in Czecho-Slovakia, who have been chosen to reveal to the world a new road to democracy on the basis of civic movements.

But history with its experience is unmerciful. Civic movements born to accomplish a goal, "against something," began to lose steam when the goal turned to the need to work "for something." Right away we found out that in the civic movement in which we so splendidly agreed on the necessity to abolish the constitutional article giving a party the leading role, one wants to preserve state ownership, another militates for its abolition, someone wants to strengthen the state with its bureaucracy while others rely more on a market mechanism, there are people who would want to end our shared life with the Czech Republic, while others continue to favor a federation.

VPN [Public Against Violence] was not exempt. Indeed, it was precisely within VPN that the diversity of opinions and positions became most evident because it was this movement—in comparison with other parties or movements—in which the largest part of the citizenry became engaged. Gradually, we saw separating out of this movement the Greens, KDH [Christian Democratic Movement] and recently, in rather stormy circumstances, also the reform-socialist and nationally oriented current, concentrated around V. Meciar.

VPN has remained the bearer of its original program of "A Chance for Slovakia," it is a government party which has assumed the largest burden of returning from an ideologically encapsulated totalitarian society under a single-party absolute rule and with a completely state-dominated economy and state-dominated citizens, to the normal conditions of a civilized society.

In the present political and economic situation in Slovakia (as also in the CSFR), meeting the goals of our program is not easy. The departure of V. Meciar and formation of HZDS [Movement for a Democratic Slovakia] significantly strengthened the position of the opposition parties in the Slovak National Council—SDL [Party of Democratic Left], SNS [Slovak National Party], HZDS, SZ [Green Party]—as well as in the House of Nations of the Federal Assembly. The coalition has a hard time mustering the necessary majority as we have seen recently in voting on a number of laws (on bankruptcy, the courts, but especially on a referendum). Cooperation with KDH as a coalition partner is complicated by a divergence of views, at least among some of its representatives, on the state power arrangement as well as approach to economic transformation.

After HZDS constituted itself, VPN lost a major part of its public support but presently we are again registering a certain rise in VPN's popularity and at the same time a decline in the popularity of HZDS.

For the coming fall the opposition parties are predicting social unrest, a wave of strikes. It is not certain whether they themselves might not instigate and support them while outwardly distancing themselves. We are in a period of increased resistance and pressures working against economic transformation, in a period of attempts to destabilize society. I will attempt to offer a more detailed look at the status of economic transformation and the problem of state power arrangement, currently the most pressing issues:

Economic Reform

A fundamental change in the political system has already been carried out. In the first free elections the citizens elected their representatives to legislative bodies. But the political changes were a mere first step toward genuine freedom. Genuine freedom comes the moment the citizen ceases to be dependent on one single employer—on the state. And dependence on the state is precisely what is typical for socialism. In its endeavor to subjugate the citizens, the socialist state paid its employees wages on

which they could not become rich, which did not permit them to acquire any property. A citizen who has no property, who cannot make decisions involving his material wealth, cannot make decisions involving his entire life. At all times, in all matters he must subordinate himself to the state to obtain at least the means for his livelihood. And in a socialist economy these are always very modest—from an international perspective even undignified—because the management of a state-controlled socialist economy is in reality not management but rather squandering of social and natural resources. It is not management but only subjective decisionmaking by a state bureaucracy without material and political accountability.

So when we are taking radical steps aiming at privatizing property until now held by the state, this is not in itself the goal. We do so in order to lay the basic foundation for the citizen's free decision on his labor among the various kinds of ownership—private, cooperative, state. We are creating conditions for the citizen to break loose from the tutelage of the state. And this freedom is directly connected with chances to improve wages and salaries for workers, farmers, technicians, the intelligentsia. If today the purchasing power of our worker's wage is substantially lower than in the more advanced capitalist countries, it is not because our government will not permit a wage increase but because the state is always such a wretched owner and manager that it has nothing from which to raise wages. And even if it does, it usually offers money for which later there are no available goods. The basic prerequisite for raising employee wages is a speedy conversion of state enterprises into enterprises of the private type which must always operate efficiently, or else they could not exist. For this reason there is no need for a strict wage regulation in the private sector, and so they will soon be subject to substantially less regulation than wages in the state sector.

If today someone hinders the speedy conversion of state enterprises into private ones, that person opposes a better deal for our citizens, opposes the opportunity for them to increase their earnings within a short time or to acquire property through their own entrepreneurial effort.

How the various parties and movements approach this problem indicates whether they are genuinely interested in the everyday concerns of our citizens or seek false popularity. When the programs and proclamations of HDZS and the Communists reveal a tendency to support government protection of state enterprises or "traditional" cooperatives, when their deputies vote against adoption of laws on economic transformation or even boycott this legislation, their purpose is none other than creating the impression that they have security of the working people at heart. But what can they guarantee to workers in the state enterprises? The security of continuing low wages? The security of subsidies taken from the pockets of prosperous enterprises or from taxes paid by citizens who would rather spend their earnings on their own needs than on inefficient state enterprises?

It is very easy to incite dissatisfaction among workers in state enterprises about wages and job security, among farmers facing difficulties in marketing farm products, and to shift the blame for these problems to the government. But HDZS and the Communists are acting irresponsibly toward these very workers and farmers when their actions seek to preserve the fundamental cause of these problems: the existence of socialist ownership.

We too would find it easy to resolve the present difficulties in state enterprises by a simple method—by subsidies, protectionism, wage increases. We even have our representatives in the government who would be in a position to make it happen—Deputy Prime Minister Vavro and Finance Minister Danco. We must create conditions for a lasting prosperity of enterprises and citizens, rather than adopt short-term measures which might increase our popularity before the election but by which we would create greater difficulties for the citizens a few months or a year later.

We know that the transitional period still essentially dominated by an inefficient state economy with remnants of central direction is not and will not be easy. But given the inexorable tendency of all socialist economies toward a collapse, we have no other choice but to take further necessary steps toward changing the economy, taking it out of the state's hands toward privatization.

Our Initiatives

Again it needs to be emphasized that the economic transformation is hardly a mere cosmetic repair as were the reforms in the period of real socialism, but a fundamental changeover to a functioning market economy such as exists in the civilized world. We have had enough experiments. Therefore we are as a matter of principle opposed to trying out some kind of third, special, or specific ways.

And it also needs to be said that the economic reform is not directed against citizens but aims to benefit their material and social conditions, their property and wealth. Therefore VPN is pressing for a thoroughgoing privatization of properties until now held by the state. For a fee of 1,000 korunas [Kcs] a citizen can acquire property worth approximately Kcs100,000 in the form of shares. VPN is pressing for a full restoration of ownership rights to land and supports opportunities to form cooperatives from among private farmers.

VPN also proposes privatization of apartments at disposal [zostatkově] or even lower prices. We will take an active part in drafting and the adoption of appropriate laws and regulations to govern this privatization. We want to create as soon as possible a situation in which the users of state, communal and enterprise housing will become private apartment owners, so as to speedily end the system of "allotments" in which the state bureaucracy decides where and in what size of apartment the citizen may reside. At the same time we will support various forms of social housing or social assistance to all

households unable to secure a minimum standard of housing out of their own means.

A condition for the economic reform to succeed in Slovakia is also the unity of its principles with reform throughout the federation. The rules of a market economy—private ownership, price liberalization, freedom of enterprise, convertibility of the koruna—are general rules, and therefore it is not possible here to search for some specifics applying to Slovakia, or for that matter the Czech lands. The economic problems affecting Slovakia have not arisen from anything specific to the Slovak economy, but are the consequence of command economics in a totalitarian regime. For this reason the starting point for resolving them cannot be sought in some kind of specific Slovak instruments but rather in policies within the framework of the federation. The Slovak economy is much too small to be able on its own to see itself through the inherited economic difficulties and ensuing social problems. Hence I cannot agree with Mr. Carnogursky's statement that in an independent Slovakia the economic reform could advance faster. I have had an opportunity to study at intimate range the Slovak administrative apparatus and the political ambitions of its senior people. Alas, many of them tend to view the current economic reform rather as an obstacle on the way of increasing their personal administrative powers, command and "selective" decisionmaking, instead of establishing rules in the economy. The Slovak citizen, entrepreneur and Slovak enterprises will perceive very quickly that the guarantee of their prosperity lies not in an increased number of strong Slovak offices and officials but in good and functional laws. And federal legislation is shaped also by us Slovaks, and we do not shape it for us alone. With their help we can live not only in closed Slovakia but equally also in the Czech lands. If we really want to ultimately become a part of civilized Europe we can best show it on the example of living together with the Czech nation.

Historical development thus far, the current internal problems as well as international economic relations and the geopolitical position of Slovakia offer evidence that the transition to a prosperous market economy would be in an independent Slovakia much more difficult, painful and possibly even doomed. The price would be paid by the Slovak citizen and his standard of living.

Shaping Our Profile

At past meetings and conferences we have already decided that by the time of our republican congress in the fall we will take steps to constitute ourselves as a party. Because a number of problems have arisen in this connection, we have to deal with them.

First of all, the status of a party will not mean changing the conduct of members in the direction of some kind of strict discipline, restrictions on initiative, an authoritarian regime. Rather the contrary: It will be to formulate more precise rules of intraparty life which will create room for the activity of members and at the same time

clearly define the relationship between the powers and responsibilities of members at different levels. This is one of the important differences from a civic movement in which ideas and activities are often lost in casual meetings, groups, ad hoc commissions, in "collective irresponsibility." The substantial importance of the party therefore must be seen in a clearer profile, a clearer definition of the program, goals and values which the party has embraced and which it promotes. The party must make visibly clear to the public for what it stands, whom it unites. And there must be no difference between what members profess inside the party and what they seek to achieve in real politics. Otherwise it would be false, schizophrenic politics.

I can state that in our thinking, standpoints and actions we are a rather homogeneous community of citizens. This is the result of our activity which has combined spontaneity as well as purposeful activity. We no longer have to stop and think where we should be going and what values we should embrace. We know who we are and what we want. Perhaps what is needed is only a more precise formulation of what many of us feel inside and grasp intuitively without being able to name it and align it with a political philosophy.

We are in a situation where we can define ourselves negatively, in relation to other political entities, but also positively, proceeding from our internal goals.

We know that as a party we do not want to have anything in common with socialist ideas. Socialism based on central planning and collective forms of property has always inexorably led to authoritarianism, suppression of individual liberties, elitism and ultimately dictatorship of an ideological or nationalist type. Socialism and all socialist parties promote themselves by emphasizing the social aspects of society and economy, protection of the socially weaker strata of society. But this is a fraud because they proclaim it only as long as they are in opposition. Socialism and the truly "social" have nothing in common. Indeed, they even contradict one another. Socialism and socialists, once they gained power, always displayed greater "care" in redistributing society's wealth than in creating greater wealth. They are based more on envy than creating prosperity for citizens. Therefore all socialist societies have ended or are ending in general poverty. Despite this fact all left wing parties of the socialist or communist type continue with their social demagoguery.

It is in this spirit that open and determined polemics must be carried on with socialist ideas and their bearers. But we cannot stoop to primitive personified anticommunism which does not evaluate people according to their standpoints and actions but according to their formal affiliation with certain political groupings.

We also know that nationalism cannot be part of our profile; we stand for a normal, healthy national policy oriented toward the material, cultural and spiritual needs of Slovakia's citizens. The current nationalism of

sundry parties and movements is nothing but one of the expressions of collectivism which instead of an active policy for the nation's benefit always looks for an enemy outside one's own nation and which seeks to view the world, other nations and nationalities through the prism of its "philosophy." But collectivism is dangerous in whatever guise it may appear. And it is evidently no accident that present-day heralds of national collectivism often are the same people who used to embrace communist collectivism. For instance Mr. Markus only a few years ago was trying to prove the bright prospects and advantages of communism and today wants to liberate the "enslaved" Slovak nation. From what? From the present democracy, so that he would be able to experiment the prospects of communism upon the Slovak nation?

Where Parties and Movements Are Heading

It is often said about us that we have become right-wing and a targeted propaganda likes to emphasize it along with a dose of contempt. If someone sees the political structure only with the help of the right or left hand, then we have indeed landed to the right of all socialist-communist leftist parties and movements. Some of them belong to the left owing to their original and undisguised convictions, for instance the renamed Party of Democratic Left. Its one-sided vision places the Green Party there too. And recently we saw also members of HZDS pining for a return to socialist elements even though they describe their policy coyly as socially oriented. SNS [Slovak National Party] is nothing but socialism in a national framework. Together with KDH, MNI [Independent Hungarian Initiative] and the still not clearly profiled Democratic Party we are indeed "on the right" even though, to tell the truth, here and there in KDH gears one can hear the sand of state protectionism of the socialist type, of a desire to have directives or a branch system [rezortismus]. If someone calls us the right in this sense, we can be only proud of it.

But the political scene is more complicated than to allow viewing it in a straight line. Disregarding the inconsequential political currents, it is located between the points of a triangle—socialism, liberalism and conservatism. We know unequivocally that nothing attracts our movement to socialism. We know that we want basic social change, not by force but in a democratic way.

Our movement sees its founding point of departure in individual liberty in the broad sense of the word—personal, civic, economic freedom. Freedom that also includes respect for the freedom of other citizens, freedom that means assuming responsibility for oneself and also for others. We do not want nor will we create any kind of an ideological construct of society; we base ourselves on the ideas of liberalism and an open society with limited government role. We do not want a government of strong hand but rather the establishment and refinement of rules, legal norms. We are concerned more about the rules according to which we are governed than about who governs. We recognize differences between

people, yet they must originate naturally, according to general rules, and no one can determine them in advance. We recognize the traditional moral principles and values, religious feeling, as do the conservatives, but we are categorically opposed to the creation of a system in which one group, party or movement foists its convictions on others. We are striving for a law-governed state guaranteeing protection of human rights and liberties which may not become victim to any kind of efforts at social utopias or collectivist state models based on an economic, national or religious principle.

Democratic Rules Apply

We stand for a radical economic transformation in a direction toward a market economy and for limiting direct government intervention in the economy. We see the market relations as a system of rules under which citizens produce and exchange products to satisfy their interests and needs. These rules are established democratically, by social consensus. They do not prescribe for anyone a scale of values, a priority order for needs. Therefore there is no need to add any adjectives to the market economy in a democratic society. If someone wants to use power to impress on market relations a seal of social or ecological orientation, he imposes upon other citizens his notion of needs and suppresses individual interests. For the government it is necessary to increasingly limit its powers of subjective decisionmaking in the economy and clearly define the rules of its activity. Redistribution of resources in the economy by means of the state budget discriminates against the successful and supports laggardness. It must therefore be the exception rather than the rule. The state should concentrate its activities primarily in the area of supporting the development of schools, education, health services, social security, culture. But here too we will support various nongovernmental alternatives, private activities and civic solidarity. In this sense the market economy is more social than a socialist or socially oriented economy. In a market economy resources do not flow from successful entrepreneurs to the unsuccessful ones, but from a rich economy to the social sphere—to pensioners, the socially weak, students, the sick and the disabled.

When we characterize our feelings, standpoints and actions in this manner we know that we find ourselves on the foundation of liberalism, of an open society. We know that it is a society of democracy, prosperity, tolerance and justice. We will leave it to journalists, critics and political scientists whether they will see us in the center or on the right. What is important is that we know who we are and what we want.

Who Our Partners Are

From this brief characterization of our profile follow also the opportunities and limitations of our cooperation with other parties and movements. On the federal level we were in a coalition with the Civic Forum [OF] and therefore remain in coalition with all formations which

originated from OF. From the perspective of our programs and goals, however, our natural partners are gradually becoming in the first place ODS [Civic Democratic Party] and ODA [Civic Democratic Alliance], part of OH [Civic Movement] and all other parties and movements that incline toward a liberal or liberal-conservative policy.

In Slovakia our natural allies are KDH, MNI, and the Democratic Party. But it must be said that from KDH we expect more of a policy tending toward a democratic, open society on Christian principles, more of an active policy in support of a radical reform and not against it, and less of an encapsulation within limits typical of nationalist and socialist movements. We have already emphasized on many occasions that in KDH we expect to have an important coalition partner of a conservative type on a European rather than East European level.

In our movement's relations with others we must distinguish between contacts, dialogue and cooperation. We will establish and maintain contact with all. A dialogue can be carried on with all who are willing to engage in constructive discussion rather than listen to themselves alone. Cooperation is possible only where there exists an agreement on the basic principles relating to the economic, social and political aspects of our society.

We Stand for a Democratic Federation

For some 70 years we have lived in a common state of Czechs, Slovaks, and other nationalities. It was essentially a unitary state despite the fact that in the last 20 years of its existence it had the formal appearance of a federation. But the deformations in state power arrangements of the past cannot be blamed on the Czech nation, or the present Czech political representation. We have inherited a totalitarian Communist system of which we all, regardless of whether Slovak or Czech, were a more or less active part or a victim. It was a system that in spite of its ideology or proletarian internationalism was not capable of resolving the substantive aspects of two nations with statehood rights living together.

Today when we are forming a democratic system, when we enjoy the first historical opportunity to create a democratic, functional federation for the benefit of both nations and the nationalities, to terminate the common state would be tantamount to wasting this historical chance. The establishment of a democratic federation does not run counter to interest in Slovak national identity, in Slovak sovereignty, nor is it contrary to interest in the Slovak Republic's economic prosperity. The delegation of some powers from the Slovak Republic to the federal level does not involve a loss but rather another method of exercising power within a larger social, economic and political space than is offered by the Slovak Republic alone. It is precisely in this larger space for citizens to share their social, economic and cultural life that we must see the meaning of our federation. If we fail to show that we understand the meaning

of such shared life we obviously would have a hard time proving our claim to be in a united Europe.

Doubts about the meaning of a federation and slogans as "Let us govern ourselves" are connected with the naive notion that Slovakia's affairs can be managed successfully only when we unite as Slovaks. Yet a unification within the national framework is not possible because we have and will continue to have differences in routine as well as principled approaches to the economy, culture, politics. These differences are not of a national but rather civic nature. It needs to be said openly that the call by a part of the Slovak political representation for Slovakia's independence is not a call for greater independence of the Slovak citizen, Slovak village or Slovak region, but rather for the attainment of one's own centralist power ambitions in Slovakia. It is time to ask all those who are pressing so vehemently for increasing the powers of sundry Slovak ministries and institutions to the detriment of the federal level whether they have taken any step to relinquish even the smallest part of their powers to Slovak villages and regions.

VPN has always favored and continues to favor a functional federation of two equal republics. And I am convinced that it is through the federation that we can consider realistically also Slovakia's entry into an integrating Europe. But the condition for this entry is a stable political and economic situation in CSFR. Proclamations to the effect that by the year 2000 Slovakia should be independent do little to help this stability.

Pre-designating the year 2000 as the year of Slovakia's independence means casting doubt already now on the meaning of the federation, doubt on the energy and time of the people willing to sacrifice in favor of shaping a democratic federation. It means bringing uncertainty into the economic as well as political aspects of the life of our citizens. Indeed, who would care to work on a federative arrangement of state powers to endure for eight to ten years? Which foreign partners would be willing to enter into political and economic ties with an unstable state with only a few years to live? And could we at all find a partner willing to form with us a federation with a precise date of its breakup?

Public opinion polls show that talk about Slovakia's independence comes mostly from some politicians rather than citizens. About three-quarters of the Slovak population want a common state. VPN therefore calls for a referendum enabling our citizens to clearly express their view on the federation, thus ending the disputes which lead to destabilizing our society. This would make it possible to focus at last on a comprehensive effort to tackle the grave economic situation which we inherited from the past. Slovak citizens voted for their parliament deputies on the basis of election programs which did not mention a demise of the common state. The possible exception was SNS. But since they now deviated from their programs it has become necessary to ask the voters

whether or not they want a federation. But it is interesting, though not surprising, that precisely those politicians who like to refer to a need for direct democracy—and a referendum is a typical example of direct democracy—are far from enthusiastic when it is the citizens rather than they themselves who are to decide on federation.

We recommend to our deputies in both the Federal Assembly and the Slovak National Council to take all the necessary legislative and organizational steps to institute the referendum.

And it needs constant repeating that the common state can be only a federation or a unitary state and that any steps toward a confederation are steps toward breaking up our common state.

VPN and Alexander Dubcek

In this connection a few words must be said about Mr. Dubcek who recently stated that he left VPN because we caused discord and moved to the right.

The VPN movement has not dodged, ever, an issue, and sticks to its election program. And it has not caused discord except, of course, when what is called discord is our unwillingness to move VPN in the direction desired by HZDS leadership—toward a mixture of socialism and separatism. It is no surprise to us that a group of people with a philosophy of reform socialism, "socialism with a human face," which has blended into HZDS is attracting others, including Mr. Dubcek. VPN has never embraced this school of thought and never will. To us, socialism is unreformable.

Mr. Dubcek was on the VPN slate for the Federal Assembly. Connected with his name was and still is our policy of Czech-Slovak mutuality, Czech-Slovak statehood, federation. Thus far Mr. Dubcek in his standpoints and actions has not abandoned the idea of federation. He even cooperated with VPN deputies—even though it ran counter to HZDS interests—in the Federal Assembly's adoption of the law on referendum. But if in the matter of the state power arrangement he should take a position opposing VPN, we see no reason to continue supporting him in the office of the Federal Assembly chairman.

On Strategy

Returning to normal conditions will not be easy. We are starting from a grave situation. Hence VPN cannot focus on undertakings which could lead only to short-lived favorable and popular results. It is not at all difficult to conduct such a policy. But if we do not want to end up again in a society with a devastated economy, environment and spirit we must undertake also significant system changes which may not be popular immediately but in a few years will result in long-term benefit for all. So if we want to conduct ourselves responsibly vis-a-vis the citizens as well as our own conscience, we must not shun even unpopular short-term decisions.

It will be necessary for VPN to concentrate its forces, to change into a functioning party. We need every willing hand and every vote. We are faced with two basic tasks: carrying through our program goals and at the same time increasing our public support. How can this be achieved? By making ourselves better understood, by a clearer profile, by addressing the citizens. Our program and our goals express the interests of the majority of Slovakia's citizens, the majority of the interests of the Slovak nation and nationalities in Slovakia. We are proving and will prove it not just by speeches but also political actions, so that in the shortest time possible it will redound to the benefit of every ordinary, resourceful, hardworking and decent citizen of Slovakia. And it is precisely their support we seek.

Civic Democratic Alliance Described

91CH0826B Prague REPORTER in Czech No 31,
1-7 Aug 91 p 6

[Article by Viktor Vitek: "The Civic Democratic Alliance: From an Exclusive Club to a Political Party; Will There Be a Unified Right?"—first paragraph is REPORTER introduction]

[Text] The Civic Democratic Alliance [ODA]—a party established on 17 December 1989 in Prague. It espouses Western political conservatism. Wants to assert the common interests of all citizens, strives to achieve a society based on freedom, justice, and humanity. It intends to achieve these goals by prosecuting the principles of a state of law, a parliamentary democracy, a liberal market economy, and by promoting social responsibility. The party is considered to be an independent part of OF [Civic Forum] and intends to fully support the progress being made by that movement until the free elections are held. (SPEKTRUM, 19 February 1990, the publication for newly developed social, interest, and professional organizations, movements, associations, and clubs.)

For some months now, discussions centering around the coming into being of a large rightist party have been held at press conferences, in the secretariats of political parties, in the corridors of the Federal Assembly. "A unified rightist party is also our long-term goal," we were told by the chairman of the ODA, Pavel Bratinka. "The problem is that the rightist bloc is being joined even by the Czechoslovak People's Party or by the Liberal Democrats and, on a number of questions, we have views which differ from these parties." With respect to the ODA-ODS [Civic Democratic Party], the situation is much better, but even here, collaboration is encountering problems involving the abilities of the Klaus followers to agree among themselves. It is alleged that ODS delegates receive instructions from the party center, which unite their actions in parliament. "However, it seems to us from time to time that the party leadership of the ODS has absolutely no views regarding a whole lot of things, the positions taken by ODS

delegates are frequently surprising and totally contradictory with respect to the views expressed by the ODA," said Pavel Bratinka. "For example, the views of ODS delegates were totally opposite in the Federal Assembly and in the Czech National Council when it came to the constitutional arrangement of the CSFR. Or the question involving Kubat, minister of agriculture of the Czech Republic, who is a member of the ODA. Pertaining to Minister Kubat, Klaus issued a statement which we considered to be absolutely unacceptable. But ODS delegates within the Czech National Council have another view of this matter, a view which is far closer to our position."

The creation of a single rightist political party is not a simple matter because the resulting party must be capable next year of addressing millions of voters during the parliamentary elections. The future unified party must, therefore, be of extraordinarily high quality and, so as to be able to actually address a majority of the voters, must encompass various viewpoints and work styles. It must also provide sufficient room for the life and creation of political personalities and cannot be a closed monopoly-type structure. The conflict with regard to the rightist portion of the political spectrum today is that the ODS, headed by Vaclav Klaus, is constituting itself like a mass party, which is savagely oriented toward selected political and economic questions. "The structure of the ODS is somewhat inhospitable for people who wish to retain their own features and views," said Pavel Bratinka.

The ODS works on the principle of a large number of voluntary and devoted followers, something which is useful for a large political party. As far as the Civic Democratic Alliance is concerned, the membership base—particularly outside of Prague—is extremely weak, but it has one feature without which it is not possible to create a rightist party. Within the ODA, the leadership does not just say something and the membership base then only contemplates the significance and the working out of this "communication from above." The ODA discusses all questions in a broad forum and the resulting solution has more of a character of a consensus than the subordination of the minority to the majority. The ODA is an environment for the cultivation and growth of political personalities. It would be ideal if the characteristics of both parties, the ODA as well as the ODS, could be combined into a single party. For the time being, however, this is not possible. We lack the conditions, the will on both sides, and even the public has thus far not been prepared for this step. The distance between the ODA and the other parties on the right is not all that great. "The difference between the ODS as a dominant representative of a mass rightist party and the ODA is primarily the fact that the focus of the ODS is the personality of a single individual—Vaclav Klaus," we were told by Pavel Vandas, Federal Assembly ODA delegate.

That has its advantages, but also its accompanying risks. The ODA has perhaps some less-profiled representatives

which, on the other hand, makes this party less dependent on decisions from the center. The ODS is seeking its platform virtually exclusively in the economic sphere, whereas the ODA covers the entire spectrum of political thinking. "The ODS party of Klaus tends to unite those people who wish to engage in entrepreneurial activities, whereas those joining the ODA are already entrepreneurs," stated Pavel Vandas.

Although the centralized structures of the ODS are organizationally effective within election circuits, they have a difficult time adapting to the changeable conditions in the domestic political scene. The network structure of the ODA facilitates a highly flexible approach, despite the small number of members.

The amalgamation of the ODA with other political parties is a long-term proposition. It would appear that the goal of the Civic Democratic Alliance is to lay the foundation of a political culture for a parliamentary democracy today, and to reject any kind of orientation toward political boomism and populism.

Following the disintegration of OF and the other political amalgamations, it is clear that political blocs began to form in a completely different manner than was the case after 17 November 1989. Any proclamations regarding collaboration between rightist parties are, today, strictly formal in a number of cases and sometimes only react to momentary deviations in the mood of the public. "Establishing a rightist party on the basis of a single individual, as is the case with the ODS, means that things are happening which should never happen with respect to a quality conservative party," we were told by Pavel Bratinka, ODA chairman. "For example, during the negotiations pertaining to the land ownership law, Mr. Klaus had a completely different view in the beginning than did the other delegates of the ODS in the Federal Assembly. The delegates were supporting the radical transformation of the cooperatives and the clear position that the transformation of land ownership and the restitution of property relationships ahead of the cooperative movement was only a complication in the progress of economic reform. As it turned out, the ODS delegates were absolutely disunited on this question and the discussion of the question created the impression that the ODS has split into the disproportionately dominant personality of Vaclav Klaus and the ODS deputies in the Federal Assembly and in the Czech National Council." If a unified conservative party is to come into being, such a process cannot continue. In a conservative political party of the Western type, it is not customarily possible for the views of one personality to determine what the political party is to do. "With respect to dealing with the ODS, you do not even know with whom you are supposed to deal and who is authorized to express a binding position. To the extent to which you are not dealing directly with Klaus, you cannot rely on the fact that the ODS will act in the manner upon which you have agreed," said Pavel Bratinka.

How then does the ODA differ from other political parties? It is, briefly stated, a looser political association of people who are capable of making independent decisions. In contrast to mass centralistic parties, the ODA does not place emphasis on firming up a unified view and upon purging the party of admixtures of other views. It is also not true that the ODA is an exclusive club of rightist intellectuals; it does not accept only former employees and agents of the StB [Secret Police]. On the other hand, an ODA member is expected to participate actively in political activities and not only pay his dues and nod approval for the actions of the Prague center. The ODA is a model of a small political party with great potential influence on public opinion. A number of people have already noticed that the positions taken by the ODA lead in a unified rightist direction, that they are clearly articulated, and that they are consistent in terms of their conservatism.

The deviation of the Civic Democratic Alliance from traditional Czechoslovak apparat-type politics offers the public a certain consistent view, albeit not generally accepted, and then offers a clear program to the electorate. The leadership of the ODA classifies its party as a group which defends general interests. "Such things as due process for citizens or prosperity, of course, favor entrepreneurs and owners, but, at the same time, they also are a benefit to workers and pensioners. I am surprised by the demagoguery of the leftist press, which claims that prosperity benefits only entrepreneurs! Anyone who protects the interests of freedom in the end protects the interests of everyone," said Pavel Bratinka.

It is difficult, but such a characterization does not have a credible effect with respect to a rightist party. The social policies of rightist parties in West European countries have, without a doubt, brought results in recent decades about which one did not even dream in Czechoslovakia. But a good rightist party knows that it needs leftist forces. If for no other reason except to be able to communicate with the opposition.

In comparison with the Civic Democratic Alliance, the Klaus ODS is a party which places emphasis on the political structure of activists and on its presentation in public. The ODA, on the other hand, is a conservative grouping which places emphasis on processes which sociologists are observing in West European societies and, to a considerable extent, even in the political developments which are taking place in the CSFR following the disintegration of Civic Forum: the ODA is building on the fact that the public is deviating from politics, from large bombastic actions and proclamations. Under the influence of the restitutions and of privatization, a stratum of owners is developing in Czechoslovakia which has a tendency toward a clear political orientation, but does not have the time to devote itself on a daily basis to politics. The ODA has the ambition to become a party which will render political services to this part of the public, will give expression to its viewpoints, and defend it in the political forum of the CSFR.

[Box, p 6]

During the course of a break in the discussions pertaining to the referendum, we met around a table toward the end of July 1991 with Federal Assembly delegates of the Civic Democratic Alliance, Pavel Bratinka, chairman of the ODA, Pavel Vandas, Libor Kudlacek, and Antonin Blazek, and we asked them a single question:

[REPORTER] Which of the political intentions of the ODA will you personally be pursuing in the months to come?

[Bratinka] We should like to introduce the ODA to the public as a political party which is ready to enter the parliamentary elections and strive for election success with a large specific and clear program. We wish to overcome the notion that the ODA is a closed exclusive club.

[Blazek] In the plenary sessions of the Federal Assembly, we have, for some time now, been encountering the question as to whether that session would not be the last one, whether the chambers will be at all able to agree, and whether our sojourn in the federal assembly building will not become superfluous? I would like to make a contribution which might make the parliament capable of acting constructively, so that it would maintain its functionality and its capability to act.

[Vandas] I should like to do everything possible to help bring about a functioning market economy in our country and to see a democratic civil and state order be renewed.

[Kudlacek] In the parliament, we must primarily support the stability of the country and its credibility in the eyes of foreign partners. We also want to specifically become committed with respect to the preparation of the new economic and commercial code, on the one hand, and to the preparation of a new housing policy, and a number of other areas.

[Box, p 6]

The records of the Ministry of the Interior of the Czech and Slovak Republic today show that more than 40 political parties and movements, favoring the right portion of the political spectrum, are registered. Only some of these groupings, however, showed signs of the kind of viability necessary to survive on the Czechoslovak political scene. One of these is the Civic Democratic Alliance—ODA. It was established on 17 December 1989 as an independent political party which supported the Civic Forum Party (OF) in the 1990 parliamentary elections. The ODA is an association of active political personalities. Its members are, among others, Vladimir Dlouhy, minister of economics of the CSFR, Bohumil Kubat, minister of agriculture of the Czech Republic, as well as Tomas Jezek, minister for the administration of national property and its privatization. Within the Federal Assembly, the ODA has 11 seats, in the Czech

National Council it has 10 seats. The abilities of some ODA delegates to create lobbies and engage in everyday politics is taking on downright mythical dimensions. On the political scene, the ODA is showing up in coalition with the Club of Nonaligned Activists [KAN]. This coalition is asserting the rightist profile of the Civic Democratic Alliance and is placing the KAN as a middleman between the ODA and "passionate popular anti-communism." It would appear that the ODA is today the sole rightist parliamentary party which has a clearly defined and integrated program for all of society—ranging from the economic reform through a state of law all the way to public morality.

Carnogursky on Czech, Slovak National Traits

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[Article by Jan Carnogursky on Czech and Slovak national traits published under the rubric "Thoughts on Topical Issues"—first paragraph is SLOVENSKY DENNIK introduction]

[26 Jul p 2]

[Text] The Prime Minister of the Slovak Republic, Jan Carnogursky, is not only a politician but also a philosopher. He ponders many of today's topical problems on both sides of the issues. He turns them over in his mind until a synthesis emerges. His "Thesis on the Differences and Similarities of Czechs and Slovaks" is written in this light.

Jan Carnogursky: Thoughts on the Differences and Similarities of Czechs and Slovaks

We live in tendentious times. A thesis is a transient stage of an idea, an idea which already exists in an embryonic form but which has not had time to develop itself into all the logical possibilities and did not yet have to submit itself to opposing ideas or practices. Revolutionary times love theses. A thesis is able to grasp the immediate stage of development and does not have to apprehend all the possible twists and turns of its future progress. And if it does apprehend them then it has time to develop itself into a mature idea, if it does not, it disappears like a shooting star. Many a revolutionary period in history can be categorized according to the brightness of the theses born of revolutionary inspiration. Most of them sink into oblivion, replaced by other theses that may be only a few months younger. Some remain, and those—worked out into concepts—determine further developments for several decades.

The historical development of Czechs and Slovaks progressed along different lines. Czech history flows along the clear line of Czech statehood. The Czech right to statehood, gained by the Premyslides internally as well as externally, gave the Czech nation basic protection even in the worst of times. Premysl Otakar II could fall on the Moravian field, but even the victorious Rudolph Habsburg did not dare to question the legitimacy of the

Czech state. The internal dynamics of the Hussites led to self-destruction at Lipany, but it did not destroy the Czech state. The Czech lands, even when they overestimated their strength, such as in 1618, only suffered defeat but did not disappear from the map. And 300 years later they could claim their historical right and Europe acknowledged it. The protective wall of statehood created a calmer environment for the Czechs in which they could refine their language, develop their culture, and gather strength for another round of defending their right. The Czechs' willingness to make sacrifices in defense of their right and the endurance itself of that right create a oneness, Hegel would call it dialectic, and this oneness provided legitimacy.

The national existence of Slovaks rests on different foundations. We were unable to successfully defend our embryonic statehood, the Great Moravian Empire. Following the fall of the Great Moravian Empire we did not enjoy the protection of a right to statehood in the Czechoslovak scope. At the most we enjoyed protection only locally, for example, according to the Zilina Charter of 1381. The Zilina Charter of King Ludovit I guaranteed the equal status of Slovaks and Germans in the town of Zilina. We did not enjoy the protection of statehood either as a nation or as a country. In the Kingdom of Hungary, a number of its components had individual legal status, but not Slovakia. Slovakia was only the Upper Country, which was distinguished from the Lower Country by topography, not by statehood. And in spite of that we endured. We endured, thanks to the elemental vitality of our ancestors. The legitimacy of our national existence did not stem from statehood, but from the peasant resiliency of a people called Slovaks. Wars swept over us and could not take our statehood from us only because we did not have it. Conquerors came and went and the people stayed, they had children to whom they passed the language, culture, and faith. The hardship of our national existence unprotected by statehood left a mark on our culture. I perceive that mark as a lesser concern for formal perfection.

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Searching for a coherent line in history is a risky business. It tempts the searcher to adjust historical facts to fit his chosen point of view and to fabricate the missing sections of his chosen line. However, some recurring national reflexes in Slovak and Czech history create a suggestion of a line, or rather two lines, and lead to subsequent designation of these lines. Just a simple analysis suggests that the key line during approximately one half of the second century of modern Czech history was a leftist current, and in the corresponding period of Slovak history the key line was a rightist current. We shall use as a point of departure the European revolution of 1848. As milestones along the key line of Czech history we can consider the uprising of the Prague students against the Austrian Empire, then the journalist Karel Havlicek-Borovsky, the victory of the Young Czechs over the Old Czechs, and beginning already at the end of the century, the activities of T.G. Masaryk and his

followers; during the First Republic the election results of the Agrarian Party obviously did not fit into this line, but later we can include in the leftist line the political performance of Prague Castle. For the time being, we shall end this line in the Czech lands with the election victory of the Communist Party in 1946.

Who were the protagonists of the key national line in Slovakia during the corresponding period? In the 1848 revolution, Stur's followers fought at the side of the Emperor against Kosuth. In 1863, Matica Slovenska (Slovak cultural foundation) was founded by Protestant Karol Kuzmany and Catholic Bishop Stefan Moyzes. The name Matica Slovenska is embroidered on its standard in both the Latin and the Cyrillic script as a symbol of sympathy for Russia, which at that same time Karel Havlicek-Borovsky so sharply criticized. Svetozar Hurban-Vajansky was daydreaming about a nonexistent Slovak aristocracy. Before World War I, the Hlasists stepped outside this line. But the Martin Declaration on joining Slovakia to Czechoslovakia was signed by perhaps the most conservative assemblage that ever met in Slovakia. Matus Dula, Andrej Hlinka, Bishop Jan Vojtassak, and hundreds of others never attempted to change the social order by means of a revolutionay sweep, but always only by developing existing traditions. Milan Rastislav Stefanik died too young to fully reveal himself, but his anti-Bolshevik pronouncements in Russia, engagement to an aristocrat, as well as his relations with Benes that were coming to a head, enables us to place him potentially to the right. After that, the mentioned line continues with great clarity. Hlinka's Slovak People's Party. The Slovak State and the elections in 1946.

It is a pity that historical facts cannot be entered into a computer and have the computer forecast the future, as it is done in the natural sciences or technology. Henry Kissinger describes in his memoirs how during individual crises his advisers, on the basis of a system analysis, indicated the probable stages in the course of the crisis. In their system analysis they used the historical developments of the given part of the world. Today, system analysis is a science with all the attributes of a science that include a cold-blooded, rational, patient, and systematic approach to the subject of its study. What system analysis will help us to wind the key currents of Slovak and Czech history into a harmonious spiral?

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A system analysis in the case of the Czechs and Slovaks would surely reveal different ideological foundations of societal life. The statement can be made again, with only a little simplification, that in Slovakia the national principle is dominant, in Bohemia and Moravia a generally democratic principle predominates. A nation is a natural community that evolved from clans and tribes, and national consciousness therefore contains a strong emotional component. As is commensurate with their national consciousness, Slovaks tend to react emotionally to stimuli both internal and external, good and bad.

People who react emotionally do not need a detailed substantiation and as a rule they are not very interested in the final outcome of their actions. In contrast, in a democracy formal rules dominate over emotions. Decisions are made on the basis of rational justification, and the final consequences of the adopted solutions are weighed with painful deliberation. Rational solutions are for the most part better, but they are subject to self-delusion about one's own perfection. They are easily influenced by the trends of the day, forgetting that trends as a rule change.

Emotions mostly produce worse results. Some obstacles, however, can be overcome only by releasing emotions, because rational thinking would simply capitulate when confronted with them. After all, let us remember ourselves and our emotions in November 1989.

The power of emotions, inherent in the national principle, lends its strength to the principle itself, and the national principle appears to be—not only here—stronger as a rule than the democratic principle. The supreme task for the system analysis is to merge the national and democratic principles so that they do not restrict each other, but fuse and mutually strengthen each other.

[30 Jul p 2]

Thomas Masaryk gave the Czechs an exhilarating goal: Either the Czech question will be a world question or it will be nothing. The Czechs have succeeded admirably in answering Masaryk's challenge. And many products of the Czech spirit have world parameters.

Czech literature and art is known around the world. Czech economists were able to succeed at foreign universities and economic institutions everywhere. The West had a sincere respect for spies from the CSSR in the past, and the revealed names were all Czech. Even the Skoda is quite a good car, considering the conditions under which it is being manufactured. The best known current symbol of the answer to Masaryk's call is the performance of President Vaclav Havel.

In contrast, Slovakia and Slovaks could be the antithesis of Masaryk's thesis. Slovakia is almost unknown in the world, even among its neighbors. Abroad the name Czechoslovak is shortened to Czech. That was one of the reasons for the "hyphen war" on the Slovak side. Slovak literature makes its way into the world with more difficulty than Czech literature. As if it were too closely bound to Slovak realities and could not sufficiently address a reader of another nationality or a cosmopolitan one. I cannot think of one Slovak industrial product that would be able to break into world markets. Slovakia could well be a caricature of Masaryk's challenge.

We can observe an interesting phenomenon around the world. Many well-known Czech individuals live abroad, but Czech clubs of fellow countrymen are quite insignificant. On the other hand, there are few well-known Slovak individuals there, but Slovak clubs are generally

well-organized and cohesive, maintaining a lively contact with Slovakia. Our fellow countrymen have kept at least a fleeting sense of national solidarity even after several generations born abroad. How can that be, if not through emotions?

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The dialectics of the differences and similarities between Czechs and Slovaks can be quite well observed in the status of Christianity and specifically the Catholic Church in Czech and Slovak societies. The erstwhile talk about the rebelling Hussite Czech lands and the Slovakia faithful to Rome seems to belong to the past. To today's ears it sounds too archaic. But in the historical consciousness of Czech society there must be traces left by the fact that the Catholic Church became alienated from most of society at least three times. After the appearance of Jan Hus, after White Mountain, and after the breakup of Austria and the emergence of Czechoslovakia. In Slovakia the Catholic Church never found itself in such a relationship to society; on the contrary, it has been fixed in the historical consciousness of the Slovaks that the Catholic Church protects our interests. Such feeling predominated in Slovakia even during the First Republic, and just a brief study of the history of the First Republic will make the support given preferably to anti-Catholic and lay politics appear as a bad political move by the leadership of Czech political parties. Slovakia, given its lack of political self-confidence, could hardly find the courage to recognize and speak up when its rights were being curtailed, but it could more easily point out the antichurch, or at least to the church indifferent, politics, because in that respect Slovakia felt that it had the support of the entire Catholic Church. From pointing out the antichurch policies to pointing out the curtailment of national rights was only a step. But this, too, belongs now to the past. Communism suppressed all churches in the Czech lands and Slovakia equally. Unwittingly, it gave the churches the opportunity to prove their ability to resist dictatorship. In Slovakia the Catholic Church proved its resiliency by establishing a secret church with secret bishops at its head, of whom the best known was bishop Korec. In Bohemia and Moravia communism enabled the Catholic Church to overcome its alienation from Czech society, and Cardinal Tomasek became one of the symbols of Czech resistance against communism. In fact, if we look at it from the historical point of view, it appears that communism greatly helped the Catholic Church in the Czech lands. The better standing of the Catholic Church in Czech society also provides an important opportunity for improving Slovak-Czech relations. What was dividing us during the First Republic now becomes a connecting link. This is not just some theoretical musing. These connecting links were forged under conditions of great hardship, when Catholic as well as Protestant clergymen shared a common fate in Communist prisons. During the past decade the secret church in Slovakia and the Czech Republic worked together much better than do the Czech and Slovak governments today. Three years

ago a petition of Moravian Catholics, supported by Cardinal Tomasek, was actually signed by more Slovaks than Czechs. The change of the state's stance on religion is still too new. If it proves to be permanent, and particularly if the Catholic Church in the Czech lands remains an accepted component of society, it would have an extraordinarily beneficial influence on Slovak-Czech relations. Let us not forget that religion touches the very roots of life. Slovak-Czech cooperation on a religious basis as a vanguard of a broader national cooperation is easier precisely because it was in the religious area that Slovakia gained a certain world recognition. A Slovak Christian can cooperate with Czech Christians without any complexes whatsoever. Catholics and Protestants in Slovakia and the Czech lands are equals and they are equals also in their relationship to the wider world beyond their borders. It is really an ideal basis for coexistence.

[1 Aug p 2]

Slovaks and Czechs have one basic common feature in their destiny—to preserve the country that belongs to us, develop the culture which we inherited, develop our language, and for those who are religious, I add—to maintain their faith. We shall fulfill our destiny soonest if we combine our strength. We shall combine our strength most efficiently if we constantly renew our contract in accord with the specific conditions of our nations. We can do it, because there is a basic similarity between us. We are Slavs, and what Herder wrote about us applies: By our quiet, industrious presence we make the countryside fertile. We like to have cattle and grain, and we cultivate many useful arts. We lead a joyous musical life. We are mild people, hospitable to a fault, lovers of scientific freedom, and enemies of destruction and thievery.

We can understand each other's language, our cultures are close. We belong to Europe and her history is also our history. The future of Europe is our future as well. That is another instance where our destiny is in accord.

View of Great Moravian Tradition Challenged

91CH0830A Bratislava KULTURNY ZIVOT in Slovak
30 Jul 91 p 7

[Article by Jan Steinhubel: "Great Moravian Tradition in the Czech-Slovak Context"]

[Text] The article "Great Moravia's Legacy" which we carried in our issue no. 27 and in which the author criticized the misguided effort to associate the legacy of Great Moravia and Cyril and Methodius with the demand for Slovakia's state sovereignty has evoked an echo on the pages of SLOVENSKÉ NARODNE NOVINY (nos. 21 and 26). Jozef Minarik in his contributions "Great Moravian Legacy—Or Testament?" and "Cyril and Methodius Tradition in the Middle Ages" sees wherever he looks "grain mixed with cornflower and other weeds." According to Minarik, where the author

discusses the continuity of the Cyril and Methodius tradition in the Czech lands clearly documented by numerous legends and chronicles and its discontinuity in Slovakia, he creates "Czech privilege." When he rejects claiming Great Moravia exclusively for Slovaks because it was our first common state, he is reproached for the "small door" through which he magnanimously admits Slovaks into the area of the Great Moravian empire. When he notes the consequences of our mutual disputes already at the time of Great Moravia and what heavy price we paid for them already then, it is seen merely as "moralist finger pointing." But for the readers of SLOVENSKE NARODNE NOVINY [Minarik] has prepared something more: a "Slovak privilege," or an idyllic picture of a national past replete with flourishing Slovak monasteries, Glagolian texts of guaranteed Slovak provenance and medieval codices memorializing Cyril and Methodius, precisely after the taste of the hungry Slovak soul.

Do We Need False Illusions?

The liquidation of Methodius's seminary and of the Slavonic clergy was the work of Viching, the bishop of Nitra. Svatopluk and our nobles—our political representation at the time—were on his side; without their assent and support Viching could not act. This is how we surrendered great cultural riches. So it was not only the evil Viching or the later West European Latin orientation of Hungary that robbed us of the work of Cyril and Methodius. We decided against ourselves, for no one imposed Viching on us. When today we acknowledge the spiritual legacy of Cyril and Methodius, let us not forget how we dealt with it right after Methodius's death.

In the 11th century several monasteries of the Eastern rite were founded in Hungary: Vespriim, Csanad, Oroszlanyos, Tihanyi, Vysehrad. Not one of them was located on the territory of Slovakia and not one of them was of Great Moravian origin. If the monastery at Vysehrad (Visegrad, east of Esztergom) had Slavic characteristics, it does not yet prove its Great Moravian cultural tradition. The Vysehrad monastery consecrated to St. Andrew was founded probably by Russian Basilian monks brought to Hungary by King Andrew I and his wife Anastasia, daughter of Russian Duke Yaroslav the Wise. Mr. Minarik believes he has found a monastery with Great Moravian tradition also directly in Slovakia in the defunct village Bratka near Levice. But he is out of luck. Apart from the foundations of a 12th-century Romanesque church with small adjacent quarters (probably housing the priest or one or two monks), archaeologists found no trace there of a monastery building. Nor did the Bishop of Esztergom who consecrated the Bratka church in 1156, or the Latin monastery at Hronsky Benadik which had jurisdiction over Bratka and its church since 1158, unfortunately have any interest in Great Moravian and Cyril-Methodius traditions.

Jagic's Viennese glosses to which Minarik refers are early 11th-century Glagolian notations between the lines and on the margins of an older Latin Bible. Opinions of

linguists fluctuate between Czech and Moravian-Slovak provenience. No one has definitively proved their exclusively Slovak origin. The Prague Glagolian fragments are liturgical relics of the Eastern rite from the end of the 11th century. The numerous Bohemisms may be proof of their origin in the Slavic monastery on the Sazava in Bohemia. But the Eastern liturgy of this relic contradicts the Roman liturgy of the Sazava monastery. For this reason we may give serious consideration also to the hypothesis that they originated in the Vysehrad monastery in Hungary where some of the Czech monks expelled from Sazava after the abolition of its Slavic liturgy in 1097 may have sought refuge. But if we take into consideration the Russian contacts of the Sazava monastery, documented by a report on the existence of an altar with the remains of Russian saints Boris and Gleb, we need not reject completely the view that the Prague Glagolian fragments originated at Sazava. So nothing is certain and any conclusions as to the continuity of the Great Moravian and Cyril-Methodius cultural tradition in Slovakia on the basis of these two linguistic relics are very problematic.

Czech Continuity

The interest Charles IV displayed in the Cyril-Methodius tradition was not confined to "only a few known data on his adaptation of the St. Wenceslaus legend," as Jozef Minarik seeks to convince us. Already at the beginning of his reign Charles IV founded the Emmaus monastery in Prague, with Slavic liturgy and Glagolian writings. According to Charles's founding charter of 1347 Cyril and Methodius belong to the patrons not only of the new Slavic church but also of the entire Kingdom of Bohemia. It was during the reign of Charles IV that several new legends originated relating to Cyril and Methodius: Quemadmodum, the Cyril-Methodius officium Adest Dies Gloriosa, Hodierna Festivitas and the Old Bohemian adaptation of the older legend Diffundente Sole. Together with the older legends which are often written down: Kristian's legend (end of the 10th century), Tempore Michaelis (probably 13th century), Diffundente Sole (second half of 13th or first half of 14th century) and with more detailed or merely brief references to other legends and Czech chronicles they offer us a clear documentation of the continuity of the Great Moravian and Cyril-Methodius traditions in the Czech Middle Ages.

In addition to the old literary tradition Charles IV initiated also a new religious cult of both brothers in the Prague and Olomouc dioceses; they became Czech saints. The ninth of March becomes the feast of the Saints Cyril and Methodius. This is attested to also by the calendariums of Czech and Moravian codices with liturgical content. In Moravia the cult of these saints was introduced by Olomouc Bishop Jan VII directly by a decree dated 1349. Following that year codices with the names of both saints appeared infrequently in Slovakia as well. The most extensive reference to Cyril and Methodius can be found in the Kremnica Codex (first half of the 15th century) but this is none other than the Czech Cyril-Methodius officium Adest Dies Gloriosa

and the Czech Cyril-Methodius legend *Quemadmodum*. This codex includes also other Czech legends: St. Ludmila *Fuit In Provincia Bohemorum*, a translation legend on St. Ludmila, and the Lesser Legend on St. Procopius, *Fuit Itaque*. The Czech origin of the *Kremnica Codex* is confirmed also by the professor's notation: the codex belonged originally to the Olomouc canon Stanislav who brought it personally to Kremnica. The *Spis Missal* (end of 14th century) kept in Budapest shows a clear Czech influence. In addition to Hungarian saints it contains also Czech church feasts (St. Vitus, St. Wenceslaus, St. Ludmila, Five Brothers) including 9 March, the feast of St. Cyril and Methodius. The same applies to the *Bratislava Missal* (first half of 15th century) kept in Budapest, the *Bratislava Antiphonary* (early 16th century) and a codex with orations from Kremnica (middle of 15th century) kept in Budapest. In the *Spis Breviary* (second half of 15th century) kept in Budapest it is moreover Hungarian saints who are missing. When J. Minarik writes that "medieval codices kept in Bratislava, Kremnica, and Budapest are testimony that the memory of Cyril and Methodius was not lost even in the Middle Ages" he is wrong. Among the more than 400 surviving codices (aside from the numerous fragments) which either originated in Slovakia or reached there in various ways, only six refer to the feast of Sts. Cyril and Methodius. References to Czech saints including also Sts. Cyril and Methodius in the aforementioned codices do not constitute proof that their cult spread to Slovakia. Not one Slovak medieval church is consecrated to Sts. Cyril and Methodius, just as none is to Sts. Wenceslaus, Ludmila, Procopius or Vitus.

Jozef Minarik looks down his nose at the numerous Czech literary relics and chronicler accounts referring to Great Moravia and Cyril and Methodius. But could he find a Slovak version of Kristian, Kozmas or any Czech Cyril-Methodius legend? Hardly. His harvest of codices in Slovakia by which he sought to outweigh the Czech literary tradition is meager. The ninth of March, the feast of St. Cyril and Methodius, was not a church feast in Slovakia during the Middle Ages.

Common Historical Tradition

The Cyril-Methodius tradition in Slovakia begins with the introduction to a 1655 Catholic songbook from the Slovak Jesuit Benedikt Szollosi. Thanks to the wide publicity assured to a Catholic songbook, his rather compact narrative on Cyril and Methodius belongs to the beginnings of modern Slovak historicism. Szollosi's narrative contains two motifs known only from Czech literary relics: 1. Baptism of King Svatopluk by Cyril and Methodius. This error which did not bother the medieval man was contained already in the 14th century Czech Cyril-Methodius legend *Quemadmodum*, the St. Wenceslaus legend from Charles IV, the *Pribik Pulkava* chronicle, the Cyril-Methodius *officium Adest Dies Gloriosa*, and was taken over also by more recent Czech literary relics: *Life of the Saints of Crh* and *Strachota* from the *Old Bohemian Passional* (1495); the list of Olomouc bishops from *Augustin Kasenbrot* (early 15th century);

the chronicle of Vaclav Hajek of Libocany (1541) and Komensky's *Brief History of the Slav Church* (1660). 2. The baptism of Czech duke Borivoj is emphasized by all Czech authors beginning as early as at the end of the 10th century with Kristian. Also, Szollosi's reference to the baptism of Bulgarians by Cyril and Methodius is surely of Czech origin because it appears already in Kristian, *Tempore Michaelis, Diffundente Sole, Beatus Cyrillus, Vaclav Hajek and Komensky*. Czech motifs in Szollosi's brief narrative on Cyril and Methodius clearly document his dependence on some Czech source. In Slovakia the Cyril-Methodius tradition did not arise from direct continuity with the work of the Salonika brothers in Great Moravia; its domestication in Slovakia is proof of the Czech cultural influence on shaping the modern Slovak historicism. Thus the Cyril-Methodius tradition turns into a common tradition of both nations.

Svatopluk's Political Legacy

Jozef Minarik regards the story of Svatopluk's three rods as a pure invention by Konstantin Porphyrogenetos, an adaptation of Aesop's fable about the farmer and his feuding sons. The Byzantine emperor and historian Konstan Porphyrogenetos (913-959) however did not have to invent anything. He had available to him rich imperial archives and libraries, scientists, diplomats, an intelligence service and his own high education. When Emperor Konstantin writes that Svatopluk reminded his sons to preserve the unity of the state, "he admonished them not to cause a dispute pitting one against the other," we can take him on trust. It involved a basic and extraordinarily pressing political problem which surely was on Svatopluk's mind. He himself had learned from the events of 870-871. At that time, still as a feudatory noble in Nitra, he tried unsuccessfully to resolve a dispute with his uncle and Great Moravian duke Rastislav. Svatopluk succeeded in capturing Rastislav and turned him over to margrave Karolman. There followed the occupation of Moravia, Svatopluk's imprisonment and a temporary collapse of the Great Moravian state. When Svatopluk admonished his sons to preserve political unity he certainly did not do so for "moralist finger pointing" (Minarik's phrase); he himself did not care much about morality but was motivated by purely political concerns. That he was right was confirmed by events shortly after his death.

Svatopluk, whom Konstantin Porphyrogenetos cites as an example of the ruler's wisdom, remained a great ruler also in the memory of his own nation. In 1099 the Czech chronicler Kozmas traveled through Slovakia to Esztergom and noted that King Svatopluk was "widely talked about;" in his chronicle he briefly recounted and adapted the content of two stories: the story of Svatopluk's mysterious disappearance in the midst of his troops and the story about Svatopluk who left the military camp to become a hermit in the Zobor monastery which he reportedly had founded himself. So the Slovaks continued to affirm their attachment to Great Moravia and its greatest ruler. After Kozmas the later Czech chroniclers took over and adapted his stories on

King Svatopluk. So it was in turn the Slovaks who influenced the Czech historical tradition.

Mr. Minarik somehow neglected to answer the main question: What does the Cyril-Methodius and Great Moravian tradition have in common with the demand for Slovakia's state sovereignty? After all, this is not an exclusively Slovak tradition. Why does the proposal for a declaration on the state sovereignty of the Slovak Republic cite in support the political and historical legacy of the Great Moravian state and the Cyril-Methodius spiritual heritage when both traditions are the common and indivisible property of both nations?

The tradition of a common state and a common cultural heritage surely can not serve at the same time as justification for political separatism. But we will answer Mr. Minarik's question framed right in the title of his article: "Great Moravian Legacy—or Testament?" The Great Moravian and Cyril-Methodius tradition is a living legacy for Czechs and Slovaks alike, and a dead testament for political separatism in whatever shape. If someone wants to break our common state by any means that come in handy, he ought not to cite Great Moravia or Cyril and Methodius in support, because he has got the wrong address.

Views of MDF's 'Liberal' Wing Explained

91CH0753B Budapest NEPSZABADSAG in Hungarian
11 Jul 91 p 9

[Interview with Hungarian Democratic Forum, MDF, Deputy Dr. Tamas Somogyi by Jozsef Bartha Szabo; place and date not given: "Thinking Differently in the MDF; Somogyi: It Is Not Our Fists That We Should Raise"]

[Text] Kata Beke, Csaba Ilkei, Miklos Csapodi, and Istvan Balas are only some of the names of people who, because of their views and positions often are described as liberal, have come into conflict with the Hungarian Democratic Forum (MDF) leadership. We have asked Dr. Tamas Somogyi about this:

[Szabo] Is it really not advisable within the MDF to voice liberal views?

[Somogyi] I have never considered myself a liberal. It was in this faction where I learned that I was one.

[Szabo] What makes you a liberal?

[Somogyi] I am against all forms of plebeian radicalism, for it has the propensity to drive politics either to the left or to the right. However, I also know people in the party and our faction who equate liberalism with atheism and cosmopolitanism with the SZDSZ [Alliance of Free Democrats] and who say: The very existence of our nation is threatened by the liberal views held by some of our deputies. So they are urging the adoption of administrative measures, and initiating votes of no confidence against them because they believe that the Hungarian majority, the ethnic identity of the Hungarian people itself are under attack. This despite the fact that we all know what nonsense it is to talk about Hungarian ethnicity in a country that has survived the Mongol invasion, the Ottoman reign, and has had Kumans, Jazygians, German speakers, etc., settling within its borders. A Hungarian in this country is anyone who considers himself to be Hungarian. I do not believe that the tolerance represented by national liberalism would in any way undermine our Hungarian ethnic consciousness. Quite to the contrary: This is the attitude that will pave the way to Europe.

[Szabo] Are the 52 renegades really rebels?

[Somogyi] There could just as well have been 150 of them. No one here has any hidden political motives to assume power within the faction or anything like that. The basic aim can be traced to a single common objective: to rationalize and improve the faction's work.

[Szabo] Was this what caused the big upheaval?

[Somogyi] It was one of the contributing factors. Times have changed without the people changing along with them. The old reflexes that had been so characteristic of the "I-wash-your-back-if-you-wash-mine" brand of socialism still govern. There are still a good many people

in politics for self-serving and instinctive reasons, driven by emotions when they should be motivated by reason. Most within the faction have a black-and-white image of the world, and proceed from the assumption that "those whose opinion does not agree with mine are not opponents but enemies." So the problem is not with Csapody, Ilkei, Kata Benke, Balas, or the press. We have far too much backbiting going on and not enough intelligent debate, rational discussions, or open-mindedness to allow others to convince us. My favorite slogan during the elections was: We raise our heads not our fists. If we adhered to that pledge there would be far fewer concerns to deal with within our faction. This is why I have recommended to my fellow deputies, especially to those who feel that their feet have been stepped on or who are bent on stepping on the feet of others, to occasionally leaf through the program of the Democratic Forum, which is built around the human element. I also tell them to take out their Boy Scout diaries and enter in them the red and black points in accordance with their relationship with their fellow human beings. Then they should add up all the points and with the appropriate sense of guilt do some soul-searching.

[Szabo] What about Salamin vs. Balas?

[Somogyi] The investigation continues and until it is completed all sides have agreed not to comment on the case.

[Szabo] What is the status of Kata Beke and Csaba Ilkei?

[Somogyi] This is already a year-old issue. It appears to have been overcome by events.... Besides, it is not a factional issue but one limited in scope to the Bem Square organization.

[Szabo] How about Csapody?

[Somogyi] The investigation in his case ended positively. The committee has found him "not guilty."

[Szabo] Could it be your turn one of these days?

[Somogyi] I cannot look into the future. Many are convinced, of course, that one by one those who voiced opposing views within the faction last spring will be removed. Reason dictates to avoid even the appearance of such a campaign. Under today's circumstances it would be impossible to govern this country without a majority government. The basis of stability is unity. I would find it hard to believe that our faction is led by poor politicians who are insensitive to all of this.

MDF's Views on Political Trials Clarified

91CH0753A Budapest NEPSZABADSAG in Hungarian
16 Jul 91 p 4

[Unattributed interview with Hungarian Democratic Forum steering committee spokesman Aba Sellei; place and date not given: "The Hungarian Democratic Forum Does Not Want To Rehabilitate Bardossy"]

[Text] At a press conference following a meeting of the MDF's [Hungarian Democratic Forum] steering committee—covered here earlier—the president of the Justicia subcommittee, the attorney Dr. Istvan Varga, added the following to a draft proposal submitted earlier by the deputy Dr. Zsolt Zetenyi to keep certain serious criminal offenses imprescriptible: "We do not wish to follow the bad example of the Nuremberg trials, for many of the sentences handed down in the course of those proceedings lacked legal foundation. Several Wehrmacht officers were sentenced, among others, who had only been following orders." In connection with those trials Dr. Istvan Varga brought up the case of former Prime Minister Laszlo Bardossy, calling it a miscarriage of justice.

We have asked committee spokesman Aba Sellei whether or not these statements represented the MDF's official position.

[Sellei] Certainly not. They were only intended by Istvan Varga to underscore our determination to avoid political trials. The views he expressed were solely his own.

[NEPSZABADSAG] If that is the case, would it not be more prudent for the Democratic Forum to distance itself from Dr. Istvan Varga's statements?

[Sellei] I do not have the right to comment about this in the name of the committee, but—in my opinion—at our next meeting we will definitely have to respond to what was said.

[NEPSZABADSAG] What do you aim to accomplish with the announced publication of the white books?

[Sellei] We need to finally clarify what actually has happened here during the past 40 years. This is a survey-like work, however, not intended to point a finger at anyone in particular. These books are being compiled by selected scientific institutions, which have gone to great lengths to ensure that the rights of individuals are respected. It will be up to these institutions to decide what can or cannot be mentioned by name.

Haraszti: Radio's, TV's Neutrality Threatened

91CH0753D Budapest VILAG in Hungarian 17 Jul 91
pp 18-20

[Interview with Alliance of Free Democrats Deputy Miklos Haraszti by Laszlo Hajdu; place and date not given: "System Change Within a System Change? A Media Coup"]

[Text] Last week parliament was the scene of another opposition walkout. True, it was not a repeat of what had happened earlier at the plenary meeting, as this time it was "only" the cultural committee from which opposition deputies walked out; the cause, however, is once again important to note. The protest was directed against the appointment of new vice presidential nominees to the management of Hungarian radio and television,

which Janos Kenedi has referred to as an "idea born out of a nightmare." To analyze this turn of events we have called on SZDSZ [Alliance of Free Democrats] spokesman and cultural committee member Miklos Haraszti, who had been one of the deputies to leave the conference room.

[Hajdu] Why did the majority of the opposition deputies decide the walk out of the session of the cultural committee?

[Haraszti] On the surface it may seem like this was a squabble motivated by party politics, and legally it could be interpreted as the simple execution of a law. In other words, the prime minister submits proposals, the cultural committee gives expert opinions, i.e., it puts its stamp of approval on them as the old Presidential Council used to, and the president of the Republic makes appointments. This is similar to the old setup of Janos Kadar making decisions, Istvan Dobi implementing them, etc. The formula, therefore, is already familiar. In reality, however, this is not what we have here. When the prime minister sends his proposal to the committee members via messenger service on Friday night to be discussed in Monday's session; when five of the six vice presidential nominees openly agitate against the person and activities of the radio and television president, elected earlier with a full consensus; when conspicuously he does not even try to obtain the approval of the independent presidents or to sit down and negotiate with the parties, then he should not expect the cultural committee to nod at his decision, indicating complete agreement among the parties on this issue. In other words, we have been confronted with a one-person decision characterized by a total lack of interest in forging a consensus. Hence we have considered it important to add as much weight to our protest as possible. And unfortunately under the given circumstances this cannot be done any other way except by walking out. For the moment the decision of the president of the Republic is still not known, although I think that Arpad Goncz will probably act in the spirit of public service.

[Hajdu] Why is this kind of a move dangerous?

[Haraszti] If these coup-like appointments were allowed to take effect, this would essentially amount to a system change within a system change. It would be tantamount to abruptly casting aside the fundamental principles of serving the public, independent coverage, equal access to the news, and objectivity. If the government were granted the go ahead to overrun and occupy the various forms of media, this would divert the whole democratization process onto a very negative course. It would lead to the revival of party-state-like thinking both on the part of the state and society. The leadership would come to believe that they could conduct politics as before, and what is even more dangerous, it would perpetuate a sense of fear among the populace.

[Hajdu] What happens if Arpad Goncz refuses to sign the appointments?

[Haraszti] I would point out that, coming like a bolt out of the clear blue, right in the middle of the process of drafting the law, this move has caught us by surprise. We are presently in the middle of a very positive process, which is what makes this sudden application of party pressure so difficult to comprehend. In the press sub-committee of the cultural committee we have had a European-quality dialogue going, characterized by an atmosphere of mutual compromise that incidentally has also left its mark on the drafting of the media law. Our main task now is to ensure that the draft law is as thoroughly and carefully prepared as possible. This will clarify the situation. Our job is not to place the people of one party or another in the various institutions of the press, but to draft a skeleton law that demands commitment to serving the public. Right now we are in a state of lawlessness, which is why things like this can still happen. Perhaps it is not a commonly known fact, but what Jozsef Antall has done was to revive an old 1974 party-state law. It is interesting to note the confidence with which the governing parties are willing to reach back to the otherwise often cursed statutes of the Kadar era. For the vice presidential function is actually a hybrid remnant of an earlier concept. The lawmakers back then had envisioned a unified radio and television organization with a single person at its helm. Under that arrangement the two vice presidents were to have headed the two subordinate institutions. Getting back to your question about what would happen if the president of the Republic refused to sign the appointments, I would say that by doing so he would be rushing to the assistance of a democratic solution.

[Hajdu] Will there be a place for vice presidents in the media law presently under preparation?

[Haraszti] There appears to be a consensus among the parties in the present phase of drafting this legislation that each institution should have its own one-person manager, responsible directly to parliament. This would be a good arrangement in that it would prevent the parties from interfering in the work of these institutions. It would be the job and responsibility of the presidents to decide whom they want to appoint to serve by their side and to assist them in their work, but this is something that we would not want to become involved in from above. We must not allow the media to split along party lines.

[Hajdu] To me the function of the vice president seems reminiscent of the former party secretary position.

[Haraszti] Yes. What we have emerging here is an interventionist function resembling those of a commissar or political officer. Regrettably Ferenc Kulin is on record stating that the *modus operandi* of these institutions should be changed to reflect the existing power relations. In my opinion this is a mistaken philosophy as it undermines the basic function of radio and television, which is to provide independent and objective information.

[Hajdu] Did the liberal parties express any objections to the persons nominated for these vice-presidential posts?

[Haraszti] We would have considered it degrading to engage in a debate about personalities. Naturally if we had not walked out we would have had a few questions for the nominees, and we would have expressed our reservations. In any case, it is peculiar that not one of the six men has come out and said that he had nothing to do with politics and that he only wanted good television and radio. Instead they each considered it appropriate to air their political views, noting their reservations about the current president, and some of them giving clear evidence of their strong political loyalties. This in itself is a problem, irrespective of the shade of the individual's political orientation.

[Hajdu] Does the opposition have any nominees in mind for these posts?

[Haraszti] No, it does not, for the simple reason that we do not wish to interfere in the internal affairs of these institutions. We need one-person managers with high professional standards; people who are able to reconcile diverse internal aims, and most importantly, who can provide unprejudiced and objective information. They must be allowed to work out their own systems of operation, and appoint their own coworkers. As we see it, the oversight committee is merely to ensure that the basic principle of serving the public is adhered to. And no one party or other force can claim a dominant role in this.

[Hajdu] When can we expect the media law to be implemented?

[Haraszti] I am optimistic, as I have been for the past year and a half, so I hope that by fall we will have a new law in place.

Industrial Policy Plan To Be Submitted to EC

91CH0844A Budapest NEPSZAVA in Hungarian
24 Jul 91 p 5

[Article and interview with Minister of Industry and Commerce Peter Akos Bod by Tibor Flanek; in Budapest on 23 July: "Foundries Competing for Montanunio Loan; All Jobs Will Be Lost Without Development"]

[Text] It is hoped that the Diosgyor and Ozd foundry works can be modernized by using the Montanunio preferential loan fund. Minister of Industry and Commerce Peter Akos Bod, accompanied by Lajos Tolnay, Dimag Inc. chairman and president and Hungarian Chamber of Commerce president and Tibor Szoke, Ozd Steel Works chairman and president and ministerial commissioner, conducted negotiations for this purpose in Brussels, the headquarters of Montanunio. They submitted the joint proposal of the two firms for a development loan amounting to a total of 50 million European Currency Units [ECU].

The minister returned home on Tuesday. He responded to questions raised by journalists at the airport. Bod said that two years ago the Common Market offered to Hungary and Poland an ECU200 million loan fund. The two countries have not used a single penny from this fund. Thus the proposal of the two Borsod County firms is the first one to be submitted. If awarded, one-fourth of the Hungarian-Polish loan fund would flow to Borsod County. The Common Market and Montanunio are interested in development projects that result in increased steel utilization or in decreased steel production in East Europe. This is why loans are also available for bridge and railroad construction. If the present proposal conforms with the second purpose, it would result in a heavy reduction of steel production along with qualitative improvements and with a higher level of processing. The press was also told that judging the proposal may take as much as half a year, and that the Hungarian Government's industrial policy concept must also be submitted.

The minister of industry and commerce made separate statements in response to questions raised by NEP-SZAVA.

[Flanek] What effect will the development project accompanied by reduced steel production exert on the already grave employment situation of the region?

[Bod] Let us talk in very clear terms! All the jobs would be lost in the absence of modernization. Fewer but more secure jobs would remain after modernization, because in the absence of modernization the two improperly utilized enterprises would sooner or later find themselves in impossible situations. Given the modernization effort there is a chance for both firms to retain the more viable aspects of their operations.

[Flanek] Mr. Minister! When do you expect to complete the government's industrial policy concept, the one you must submit as a supplement to the loan proposal? And when do you expect to complete the crisis management program for the region?

[Bod] It is easier for me to respond to the first question, because the industrial concept has been completed. As submitted to the cabinet it included analyses per industry branch, including analyses pertaining to coal mining and the iron foundry industry. We must submit the English translation of this in Brussels.

[Flanek] Accordingly, would it be true that all you have to do is to translate?

[Bod] Yes. This is only a matter of translation and editing. On the other hand, I have more difficulty in responding to the question concerning the regional crisis management concept. At the time we developed the industrial policy concept we were already able to tell that in certain regions the transformation of the industrial structure would create certain regional crises. In response to an initiative made by the mayor of Miskolc and the local chamber president I agreed to have my staff

develop a concept for Borsod. This would not really be a function of the ministry, but since a substantial part of the concerns stemmed from the transformation of industrial enterprises I felt that it was my duty to do so. The framework of crisis management is evolving on the national scale, funds are available for employment purposes after all, the institutional system to retrain the labor force has been established, but regional means have developed to a lesser extent. This is why work is progressing within the government, and field sessions of the cabinet also serve this purpose. With the help of information acquired directly concerning every significant crisis center, there will evolve individual regional concepts which will endeavor to respond to the gravest issues, and to those which fall under governmental authority. Under no circumstance do we want to remove the responsibility and the right to initiate matters from the affected enterprise leaders and from local governmental bodies.

Ministry Official on Housing Policy Debate

91CH0753C Budapest MAGYAR HIRLAP
in Hungarian 16 Jul 91 p 1

[Interview with Istvan Kakuszi, deputy state secretary of the Ministry of Public Welfare, by Zsuzsa Szepe; place and date not given: "Can Rents Only Be Raised Centrally? Being at Someone Else's Mercy"]

[Text] The economic committee has rejected a request by the Ministry of Public Welfare to submit to the government a draft parliamentary resolution that had already been coordinated among six different ministries. This was already the umpteenth attempt at working out a concept dealing with the drafting of a housing law, and once again the experts of the ministries involved have been forced to go back and coordinate a new proposal.

"This draft resolution is a 'justification' of a future housing law," Istvan Kakuszi, deputy state secretary of the Ministry of Public Welfare, told us in response to our inquiry. "Once the resolution is adopted by parliament, we will be ready to draft the law."

[Szepe] What do the ministry experts disagree on?

[Kakuszi] On the one hand, only parts of the material contain truly divergent views. On the other, the economic committee simply wanted to see some of the ideas worked out in greater detail. For example, it asked to learn more about the intended role of the state, specifically about when, how, and where state support will manifest itself. In the case of home loans, how can the repayment of the interest and principle be adjusted to the debtor's ability to pay so that the homeowner's obligations can be kept constant, even in the face of rising interest rates? But there is also debate among the experts about whether or not after a 20 to 30 year amortization period the state should assume the remainder of the loan. For this was included in the first draft, but left out of the second one. Conceivably it could find its way back into the third draft. We also need to

have a more precise definition of the benefits that will be available to financial institutions offering home loans. In other words, the ministries are now in the process of coordinating their positions, and by the end of the month I expect the draft resolution to be presented to the government.

[Szep] Will this become a housing law, effective 1 January?

[Kakuszi] The ministry is confident that it will. But even if it does not materialize by then, certain parts of it will definitely be implemented—the idea of social assistance, the direct role of the state and rent control.

[Szep] You have mentioned rent. Who can raise it today?

[Kakuszi] There is some legal uncertainty surrounding this issue. For according to the price law local governments can decide themselves what rents should be; in other words, they could raise them tomorrow if they so decided. However, there is also a government decree in effect according to which rents can only be raised centrally. The law and the decree are out of sync. In any case, it would not be prudent to raise rents now when the new rent subsidy law, which has been ready for weeks, is about to be put before the government.

[Szep] At first reading the draft housing concept resolution does indeed seem to suggest that the most we can expect is a skeleton law. Wouldn't we need some temporary regulations during the transition period?

[Kakuszi] It is true that our market place is still distorted. Yet although it is somewhat restrictive, the plan does give governments some freedom of action. Forseeably there will be a cap on rents, and it would really be great if next year's rental rates were still not determined by the unforgiving laws of the market place. For the time being the local governments will continue to have their hands tied when it comes to legal rental contracts and apartment exchanges, and we will probably also be the ones to determine what the local governments can offer in return for the rent received.

[Szep] The plan also calls for the clarification of the legal status of renters in consultation with the organizations representing their interests. Would it not be a better idea to temporarily specify some of the things that a rental agreement must definitely contain?

[Kakuszi] It will be a contractual relationship, meaning that both sides may have their own stipulations. If they so wish they could even specify the number of years within which the owner agrees not to raise the rent.

[Szep] Homebuyers are also in a vulnerable position. Low-income buyers are forced to buy panel construction flats of shoddy quality. The law of the market referred to in the plan is still only a distant reality, and in the interim we can expect to be inundated by endless warranty-related litigation.

[Kakuszi] Questions concerning warranties and renovation have not come up until recently. There is a need for specific kinds of protection, although the pertinent regulatory elements from the past are still in effect. Regulations governing guarantees should be prescribed in the form of statutory provisions. These must definitely be given careful thought. To give you an example, today one can receive credit to build a home, but cannot receive assistance to renovate. Moreover, in the case of renovations affecting larger city districts, the state should also assume some kind of a role—if nothing else, at least that of a guarantor of loans. We all know that we lack the budgetary resources to finance reconstruction projects.

[Szep] The local governments could also sell lots...

[Kakuszi] Local governments can, within certain limits, engage in the selling and purchasing of land. Nothing prevents them from commissioning someone to do the actual selling. The housing law nevertheless will clearly outline areas in which local governments will enjoy complete freedom and where their latitude of action will be more restricted. We would also like to see state involvement, for example, in bringing public utilities to undeveloped real estate in exchange for lower housing unit prices charged by the legal authorities.

Solidarity's Populist, Political Ambitions Denied

91EP0655B Warsaw RZECZPOSPOLITA in Polish
1 Aug 91 p 3

[Interview with Maciej Jankowski, chairman of Solidarity Mazowsze Region, by Ewa Szemplinska; place and date not given: "From the Standpoint of the Regional Chairman"]

[Text] [Szemplinska] Please consider that in the last few months Solidarity's stance has become so populist and claimant that there seem to exist grounds for the opinion that it is beginning to imperil the economic reform.

[Jankowski] I am of a different opinion. The chief reason for grumbling among workers in general and members of Solidarity is that Solidarity is too diffident in campaigning for higher wages and protecting worker rights. Our situation is very difficult indeed, because our principal purpose as Solidarity is to care for worker rights, but at the same time we do not want to interfere with the changes taking place in this country. Solidarity is not against the reforms, but we are interested in the model observable in the countries of West Europe, that is, a model which makes allowance for civil, worker, and social rights. Yet nowadays in Poland we may be witnessing the rise of an oligarchic state of the Latin American kind.

[Szemplinska] What do you think this means?

[Jankowski] Privileges for an extremely small group of individuals not owing to their skills and contributions but owing to pull and origin. That group undoubtedly includes the *nomenklatura* elite from the previous [communist] system, "people from nowhere," marginal people, individuals from the underworld, and also members of new political and power elites.

[Szemplinska] But is that bad if they are enterprising and courageous individuals?

[Jankowski] Only a few are like that. Most others already are privileged, either through pull and economic knowledge or owing to access to information, e.g., inside knowledge about changes in the tax, customs, and other systems, or also because for years they have known how to "wheel and deal." In contrast, an ordinary person who wants to undertake something in production or trade has no chance compared with these groups.

[Szemplinska] In a word, that competition on which the West is based is harmful so far as Poland is concerned, is not it?

[Jankowski] What is harmful is the dishonest competition and a financial system designed to hurt producers. This road leads nowhere, because failure to protect the domestic industry ruins the economy, and a very small group of individuals is amassing fortunes by speculating. We [encourage the consumption] of imported goods, of gadgets that people are buying so long as they can afford

them, but once [domestic] manufacturing and agriculture are destroyed, a catastrophe will set in.

[Szemplinska] Those who have forgotten the ration cards, the queues, the economy of eternal scarcity, the "Diktat" of the producers, have short memories. You referred to Western democracy and market economy as protecting the worker, but you omitted to mention that it has a rich basis to lean upon in the form of arduously built-up wealth, sophisticated technologies, and modern manufacturing—things that we lack here in Poland, and whose importation here was supposed to stimulate competition. Of course, we could restore an autarkic economy and force consumers to buy only what we can manufacture domestically, but 45 years of practicing this system is enough.

[Jankowski] This is an ideology in which communism as the only right solution has been replaced with capitalism. How were Japan and Korea, the big powers of the Orient, built? Thanks to strong interventionism by the state and a protected domestic market. How was Europe built after the war? On protecting the entitlements and with the participation of workers. Why are we in this country mentioning only sharp competition and rugged individualism? Must we go through the stage of 19th-century capitalism? We are praising individuals who are courageous, militant, shrewd, etc., but nobody seems surprised that it is fine for businessmen to struggle for their rights, but when workers are trying to do the same, there is so much outcry? Yet, workers have certain strengths of their own and we could mount a sharp challenge, as took place during the transit strike.

[Szemplinska] Or roads could be blocked. That would be a cure for everything.

[Jankowski] Street demonstrations and strikes are acts of desperation, because, for example, how do we know nowadays which plant is a money-loser and which one is profitable, which plant should be condemned to die and which saved? This newly adopted capitalist ideology is illogical, because the burden of the dividend [payable to the state] and of the tax on wage increases is condemning equally all plants to vegetate, and thus good plants are not being afforded the opportunity to restructure. In its turn, the decline in output is resulting in smaller revenues to the state and in a budget deficit. Were these supposed to be the effects of the reform?

[Szemplinska] So what solution is being proposed by Solidarity?

[Jankowski] Had Solidarity a panacea for everything and ready-made programs for every circumstance, it would have taken over power. Besides, I do not believe that a single solution will fit every circumstance. We have different regions, subsectors, and enterprises, each of which requires a different approach. There are different solutions to the problem of the participation of workers in enterprise management, such as the ESOP [Employee Stock Ownership Plan], or German- or Japanese-style comanagement. As known, the basic principles should be

equal treatment of state and private sectors and equal taxation of domestic and foreign enterprises, along with the idea that the performance of an enterprise should be evaluated in cost-effective terms. These are principles followed by the entire developed world.

[Szemplinska] As are the principles of labor discipline, industriousness, and respect for work. What is the work ethic of Poles?

[Jankowski] First tell me, what is the work ethic in California or West Europe?

[Szemplinska] It is said to be good.

[Jankowski] Exactly. But the system existing here makes work senseless. Already in 1980 Solidarity proclaimed the slogan, "Decent pay for decent work," and it still is adhering to it, yet despite all the reforms this aspect still remains neglected.

[Szemplinska] Don't you think that Solidarity at present should take time out from its preoccupation with a claimant attitude and pay more attention to the work ethic? After all, we are no longer hired work-hands for communists.

[Jankowski] It is not just Solidarity alone but, as I mentioned, the entire existing system that is weak in this respect. However, we always refer to this subject in our talks with the government.

[Szemplinska] The work ethic or money?

[Jankowski] You speak of the claimant demands of Solidarity, but we have never demanded outright to be given money, unlike the OPZZ [All-Polish Trade Unions Agreement], and instead we declare, "[Good] pay for efficient work, and find more jobs."

[Szemplinska] And the government? What does it say?

[Jankowski] It dodges the question by referring to lack of funds and the threat to the reforms.

[Szemplinska] And the destabilization of the zloty and the return of inflationary pressures.

[Jankowski] The currency will be even more strongly stabilized once people have no money left and stop buying just anything. Solidarity has found itself in an extremely difficult situation, because it is under the pressure of workers to fight for the organization of labor and for decent wages, while there is the opposing tremendous pressure from the political and official elites that makes any fairly resolute action by Solidarity look like it is aimed against the reform process, and many Solidarity leaders submit to this latter pressure without realizing the damage caused to people and Poland.

[Szemplinska] And what is your position?

[Jankowski] I think that Solidarity was right to withdraw from the political scene in 1989, because then its pressure might result in the formation of another monolithic

government. But had Solidarity returned to that scene in early 1990 the fate of the country and of Tadeusz Mazowiecki's government would have been different. I also firmly believe that, had Solidarity posed firmer terms and demanded an explicit formulation of economic policy in June 1991, during the talks with the president and the government, we would have been living now in a changed country.

[Szemplinska] You seem to say that Solidarity is disengaging itself, do you not?

[Jankowski] It is committing the sin of omission by not taking its rightful place. It is too indecisive in giving a direction to the reform. As a result, it failed to hold general talks with the government and has not been consulted about economic policy, and its only success is that—after one and a half years!—industrial policy began to be discussed. And yet the public has the right to know earlier when and how it will be affected by the reform and what the consequences will be. It looks like a bad joke, but no such policy has been formulated at all, and yet nobody at Solidarity is denying the need to protect and preserve industry as a whole. The crucial problem is to decide which preferences to adopt and, to a clearly defined extent, protect the domestic market. Yet "our" two governments [Mazowiecki's and then Walesa's] have not done so, and the former of these two prepared for itself a convenient way of surviving in other forms by building "Red capitalism" [failing to penalize the *nomenklatura*] and making it legal, so that we have both capitalist exploitation and communist efficiency.

[Szemplinska] You are greatly exaggerating.

[Jankowski] No. In Poland healthy food, processing, electronics, and machinery industries have good prospects, but the point is that indigenous producers should be afforded an opportunity instead of saturating the market with, e.g., Korean-made electronic goods. Solidarity, which is organized not only by region but also by subsector of industry, has drawn up studies of the fields requiring special protection [against foreign penetration].

[Szemplinska] Has this matter been discussed between Solidarity and the government?

[Jankowski] No, because the government has been unwilling to discuss it. In our region we are now trying to create an engineering lobby at the Warsaw Polytechnic that should combine its efforts with the financial lobby and jointly promote the cause of Polish industry. After all, it is technologists and financiers, not shamans, who establish production.

[Szemplinska] You are criticizing the economic measures of the government. Can Solidarity offer a program for vocational retraining in the regions as well as a program for halting unemployment?

[Jankowski] The unemployment problem varies from region to region. For example, in Warsaw and other

major conurbations there is unemployment, but there also are job vacancies, and it is a question of retraining and persuading people not to cling to their jobs. But in provincial centers this problem can be dramatic, as for example in Starachowice, where the fate of 15,000 families hinges on the future of the [passenger car] plant. Over there, Solidarity has a program for rescuing the enterprise (at a huge cost, that is, on assuming the discharge of 6,000 employees) by commencing, in cooperation with England, the production of a small van. Starachowice is to discuss with Prime Minister Bielecki the possibility of rescuing the plant, particularly considering that it would cost 2 trillion zlotys to shut down, whereas 400 billion zlotys is needed to retool it. In Mazowsze Region we worked out a restructuring program for the region's northern, more threatened part, and we are not shy about promoting it, but still Solidarity cannot substitute for the government. You say that my criticisms are exaggerated, but the point is that the Balcerowicz Plan is not something academic but something that affects human beings, and that what is happening at their expense is happening outside their influence and without their participation.

[Szemplinska] And I also am criticizing that Red capitalism with its exploitation of men.

[Jankowski] You are not claiming that mistakes help no one and compose a logical whole, are you? There is, e.g., the question of trade with the USSR, which I view as not just an economic but also a political question. Seemingly agreements cannot be implemented but in practice they are being implemented through ventures of various kinds. This is linked to the issue of the tightness of border controls, bootlegging, and free trade in goods. Furthermore, the NIK [Supreme Chamber of Control] and local Treasury offices are inactive in this respect and, for incomprehensible reasons, the economic police were eliminated in mid-1990. To me these are no accidents. And consider the legislation the Sejm is working on at present, such as the law on personal taxes, which strikes me as nonsensical. Crediting taxes to rural pensioners will require an army of officials who would thus have no time to monitor industrial frauds. At the same time, individuals in the highest income brackets would be subject to the lowest progressive taxes in Europe, which is contrary not only to common sense but also to the feeling of social justice.

[Szemplinska] First of all, Europe and Poland are not the same thing, and our nascent entrepreneurialism deserves something more than the redistribution of incomes sponsored by the state. Second, it had been my hope that the "social justice" consisting in regimentation and equal destitution for all is a concept that has disappeared together with communism. But since we all have the same stomachs and wallets and—God forbid—the same minds, well, I give up. We have Red capitalism.

[Jankowski] Entrepreneurship will be encouraged by investment incentives, not by low taxes. In Sweden the

taxation level reaches as much as 80 percent. I do not aim as high, but 50 to 60 percent should be a feasible tax burden for our enterprises.

[Szemplinska] Please consider how often Western investors claim that the reason why they are apprehensive about investing in Poland is the strong position of trade unions at Polish enterprises. What do you say to that?

[Jankowski] I have not encountered this argument, although I am in contact with many capitalists. They are accustomed to strong trade unions and bargaining mechanisms. They are more apprehensive about instability, to which Solidarity is opposed, and chiefly about red tape at ministries and the omnipresent climate of corruption. They also feel apprehensive about constant changes in regulations and the slow pace of settlement of even minor irritations. And as for social conditions, they have reservations about factory worker self-governments.

[Szemplinska] One last question. Solidarity has decided to participate in the coming parliamentary elections. Is this a trade union's role?

[Jankowski] This does not happen often, but this is no exception in European history. Solidarity has decided to nominate a limited number of candidates who would form a parliamentary caucus without entering the government and who would be concerned with the interests of workers. I do not claim that this will be needed later on, but for the coming term of office of the Sejm there is no political party that could substitute for Solidarity.

[Szemplinska] But what about Labor Solidarity or Zbigniew Bujak's Democratic-Social Movement?

[Jankowski] I am one of the framers of, and a signatory to, the program of action of Labor Solidarity, but that party is lost on the political scene. Zbyszek Bujak is an enigmatic figure who had in 1989 prophesied the end of Solidarity as a trade union, and who has for a month now been trying to form a social-democratic party. Perhaps someday he will grow into an excellent politician, but for the time being his utterances resemble those of the SDRP [Social Democracy of the Republic of Poland, a leftist, postcommunist party] and I will not believe his words until I see his actual deeds.

[Szemplinska] Will you yourself stand for the parliamentary elections?

[Jankowski] No. I am a trade unionist, a region chief, and I have lots of work that I want to complete. Besides, there are 400 Sejm deputies, but there is only one Solidarity region chief.

Changes in Industry, Trade Ministry Discussed

91EP0654A Warsaw POLITYKA in Polish No 32,
10 Aug 91 p 6

[Interview with Henryka Bochniarz, government representative for organizing the Ministry of Industry and Trade, by Janina Paradowska and Andrzej Mozolowski;

place and date not given: "Something Is Wrong Here: Industry—We May Rue Some Decisions Bitterly"]

[Text] [POLITYKA] You are establishing a new economic ministry, that of Industry and Trade, but paradoxically it will be concerned only with domestic, not foreign, trade. We are thus preserving this strange division between domestic and foreign trade, a relic of the old system. Do you intend to change this?

[Bochniarz] I am very anxious to restructure the central government. A ministry for the economy should also handle foreign trade, as the present division is indeed illogical, just as the division into export and non-export goods, nonexistent in normal economies, has been illogical. Goods are goods, and trade is trade. In the future, or rather after the [coming parliamentary] elections, this linkage should be promoted. I envision it as existing in the future ministry.

[POLITYKA] Do you view it as possible to combine smoothly in a single ministry two such disparate domains as trade, which is flourishing, and industry, which is in a state of absolute decline?

[Bochniarz] Indeed, something is wrong here. Business is being profitable but its basis, manufacturing, is not. But this is a transition period and the processes we are observing are quite normal. Even now some change in emphasis can be seen. Those who have amassed fortunes in trade, and chiefly owing to loopholes in the customs system and the absence of any market protection whatsoever, are finding that their previous opportunities are narrowing and thus the capital they represent will be gradually shifted to investment in manufacturing. This is beginning to happen even now, and my experience as a company owner is also suggesting this to me. It is simply that we are only beginning to create the capital needed for investment.

[POLITYKA] You are being expected above all to conduct a rapid operation to rescue Polish industry. Can the solution proposed for Ursus [the tractor plant] be applied to other money-losing enterprises?

[Bochniarz] The negotiated agreement that we proposed for Ursus (an agreement with its creditors to defer the debt repayment schedule, reduce the plant's assets, slash its employment, and transform its ownership structure) is indeed a model solution because it allows resorting to various rescue alternatives, even to placing the plant in receivership should we reach the conclusion that this is the best way out. By contrast, other solutions are of the single-alternative kind. In the case of Ursus I am especially insisting on a negotiated agreement because I did not even have the time to obtain sufficient information owing to the strike threat that has arisen as of 1 August.

[POLITYKA] You are resorting to a procedure that is completely unprecedented for the postwar period.

[Bochniarz] Yes, indeed, the problem is that this is a completely unblazed trail. When on Wednesday night we

considered what to do with Ursus, the printed information lying on the table was from prewar times—none of the documents originated from our ministry because there were not any that could be useful. Fortunately, our associates kept [that information] at home and made it available to us. The courts lack experience [in the operation of private enterprises], and so do the banks and enterprises. Therefore, our lawyers had to do everybody else's work. But this is exactly what I consider trailblazing. The material concerning Ursus had to be subsequently processed and the method popularized so others would know how to apply it. This lack of skill in employing various approaches applies not only to negotiated agreements. Receivership proceedings also still remain only a half-charted terrain.

[POLITYKA] In your opinion who was the biggest culprit [responsible for the bankruptcy of] concerning Ursus?

[Bochniarz] Based on what I know—and my information still is not complete—I can say that the blame can be apportioned, little by little, among everyone: the ministry, the [enterprise] association, the worker self-government, and the trade unions.

[POLITYKA] You like solutions that are rapid, radical, but not evolutionary. Do you think it is possible to solve somehow the problem of, say, the FSO [Passenger Car Factory in Zeran], which has been looking and negotiating for a partner for 15 years without ever showing anything for it? Now that factory is a candidate for an immediate shutdown or for some imposed solution.

[Bochniarz] Radical measures are not my cup of tea. In shaping institutions I definitely prefer the evolutionary approach, the possibility of presenting various options and a deliberate choice of the best option. Still, I am being forced to take rapid decisions by external factors, by the declining industry and by lack of time. The example of the FSO is proof of the consequences of an indefinite postponement of decisionmaking. The assets of that factory are diminishing in value with practically each day, let alone its gradual loss of prestige and its condemnation by all domestic and foreign mass media as a plant that lacks resolute management and is in the grip of anarchy.

[POLITYKA] Yes, really, nobody knows who takes decisions concerning the FSO: the FSO itself, the ministry, the prime minister, or the Antimonopoly Office.

[Bochniarz] Well, everyone has been interfering. This applies to not only the FSO but also many other plants where what is needed, that is, decisionmaking, is simply not being done. I understand that taking a decision always involves some risk, but regarding the FSO many factors already are known: Specific bids have been offered, the investment bank has been designated, and the deadline for unsealing the bids should be specified. Then the bids should be compared and the most favorable one chosen.

[POLITYKA] Without waiting for the plant to first become privatized?

[Bochniarz] I do not know what is the intention of the Ministry of Ownership Transformations in this case. But I believe that, as in earlier cases in which the establishment of joint ventures has been negotiated on the assumption that part of the plant's assets would represent the contribution of the Polish partner to the venture, prior commercialization [conversion of a state enterprise to a Treasury-owned company] should not be awaited. A cost-effective analysis should be undertaken to determine which would pay more, a joint-venture bid or commencing the whole rigmarole ab ovo, that is, beginning with privatization, which is hardly as rapid a process.

[POLITYKA] You would be in conflict with the Minister of Ownership Transformations. Does there exist any cooperation at all among the ministries, because it seems to us that everyone is doing his own thing, and differently at that?

[Bochniarz] One of the most urgent matters I need to resolve is discussions with my most important partners: Deputy Prime Minister Balcerowicz and Minister [of Ownership Transformations] Lewandowski. I have to know what are the actual possibilities for implementing industrial policy and to what extent we may be stepping on each other's toes in this respect.

The situation at present is such that the Ministry of Ownership Transformations is pursuing a policy of sector privatization—I do believe that it has considerable merit, because it accelerates certain processes and provides an overview of the entire sector before adopting decisions, but if it is being pursued without any coordination with my own ministry, which employs topnotch experts from discrete subsectors, whom Minister Lewandowski lacks, then I doubt whether it will succeed. And in general I feel very apprehensive about certain ideas being formulated at the Ministry of Ownership Transformations, especially its reliance on the assistance of foreign experts when creating the economic map. Please consider that even THE WASHINGTON POST has published an article expressing anxiety over the fact that American lawyers linked to big corporations are drafting privatization laws on behalf of the Polish Government. Something is out of kilter here.

[POLITYKA] Do you fear foreign capital?

[Bochniarz] No, I do not. What I fear is that it will regard us as a very weak, a too weak partner. [The competition against] foreign investment banks linked to particular industrial groups will be headed on the Polish side by individuals with the experience of a mere three-month internship in, e.g., French banks. This may end badly.

[POLITYKA] You announced the coming restructuring of industry. When will you be able to specify which industrial subsectors will be promoted and which left to

wither on the vine? When will it be possible to commence an industrial policy based on a realistic picture of discrete industrial subsectors?

[Bochniarz] One of my few pleasant disappointments on taking office here was that my image of the ministry proved to be so distant from reality. Nearly the entire Polish industry has by now been analyzed here. I still am not sure about the quality of the related assessment studies, but they do exist. In the next few days I want to complete my review of the situation and appoint a small team of experts who would determine whether that would serve as a basis for drawing up a map of Polish industry and identifying the blank spots. I have the funds from the World Bank for additional studies of this kind.

But I shall not accomplish some epochal breakthroughs, because we know more or less the direction in which the world is tending and what the future will bring. We also know roughly what should be supported and what must disappear. There are things about which we need as much information as possible. For example, the pharmaceutical industry is known to be very profitable, and I fear—in connection with an assessment study of that industry being done now—that all of it might be sold to foreign companies. Assuming that it is one of the strongest industries in Poland, perhaps it is worthwhile to try and keep it Polish. If somebody were to prove to me that its buyout by foreign concerns would be a better solution, he would be very welcome. But I have doubts as to whether anybody has really calculated whether that would be a good solution in the long run. The danger is that the desire to make money off privatization in order to patch a deficit in the state budget might lead to decisions which we would rue bitterly 10 years hence.

That is why I believe that accelerating the privatization processes without defining the appropriate criteria and premises for decisionmaking is extremely dangerous, considering that we are deciding the structure of the economy for decades ahead. I also feel disturbed by certain measures taken by the Antimonopoly Office, although I prize greatly the many useful things being accomplished by that office and Mrs. Fornalczyk. But how is a monopolist defined? One who controls 80 percent of output. Such a monopoly should therefore be broken up. This may seem right from the standpoint of present-day economic realities, but after 1992, when Poland becomes an associate of the EEC—something which we are courting so assiduously—it will turn out that, compared with large Western corporations, our supposed giants are pygmies. Thus, when we speak of opening to Europe and wanting to become its partner, we should approach the breakup of monopolies with caution, because today's breakup may require a merger tomorrow, and the procedures involved are hellishly costly.

[POLITYKA] We know the subject of your coming talks with Minister Lewandowski, but we do not know what you are going to discuss with Deputy Prime Minister Balcerowicz.

[Bochniarz] Above all, we are going to discuss the possibilities for forgiving loans and granting bank guarantees; I would like the Ministry of Industry, too, and not just the Ministry of Finance, to grant them; [I also see the need for] tax exemptions for investments and eventually exports, as well as the need for certain revisions of customs tariffs, e.g., duties on imported machinery. If we are to accomplish restructuring, we should promote anything that favors it. We also need to discuss the situation of the enterprises which underperform financially through no fault of their own, e.g., because they implement government investments or modernize themselves and yet they are being done to death by the need to pay the dividend [to the state budget].

[POLITYKA] Do you expect success in your coming talks with Deputy Prime Minister Balcerowicz? This is extremely difficult. Besides, you are a declared supporter of his [shock therapy] program.

[Bochniarz] From my talks with representatives of Western financial circles I have the impression that by now they are aware that Poland is in a situation in which the corset has to be loosened somewhat, though under strict control.

Polish enterprises already are aware that survival in itself is not worthwhile, that nobody will give them something for nothing. The patient is by now ready to accept any diagnosis; people are beginning to appraise their situation realistically. Thus we should watch out so as not to miss the moment after which saving the patient would no longer be possible. If we shall now have projects which provide enterprises with opportunities for saving themselves from the abyss, that would be the beginning of the end for the recession. Besides, I personally believe that industry should be restructured and enterprises saved before rather than after privatization. Only then we shall be a worthy partner and nobody would come and say that he would graciously deign to [buy the assets of state enterprises] for pennies because he wants to support Polish democracy. Otherwise, the day will come when the last man will have to turn off the lights and whoever comes after him will get it all for practically nothing.

[POLITYKA] You did not answer my question about the possibility of success in talks with Balcerowicz.

[Bochniarz] I think that Deputy Prime Minister Balcerowicz too is aware of the particular moment in which we exist and which will decide the future of our industry. But I want to make it clear that the point is not to pay a subsidy to anyone. Should it ever happen, that would trigger an avalanche; a queue will stand in front of my office door starting at dawn.

[POLITYKA] It is said that you are highly qualified and capable of heading the ministry. However, you lack any experience in directing state industry. Thus you would find it useful to have professional deputy ministers specializing in various industrial subsectors; yet Prime

Minister Bielecki has discharged them all. Where will you find replacements? From among senior and experienced employees of the ministry, thus risking the accusation that you support the *nomenklatura*? Or will you look for the replacements among the old opposition figures who are amateurs?

[Bochniarz] Thank you for your compliments. Let us hope they prove true. Besides, the Sejm has yet to decide whether to recall Prof. Zawislak and appoint me. But as for my future associates, I would definitely prefer to choose them from among people in whom I have unlimited trust, that is, from among my former associates. For the time being, however, I am resisting pressures—and they do exist—for being quick about presenting my nominations for undersecretaries of state. I believe that first the organizational structure of the ministry has to be worked out and only then personnel appointments can be made. Still, to direct the work of the ministry I would prefer to employ efficient organizers with decision-making skills rather than experts in particular subsectors of industry. There are many of the latter among the rank-and-file employees, and I believe that should suffice. There will be no subsector departments in my ministry anyhow (with the exception of the fuel energy complex), and instead a functional structure will be created. I am also seriously considering setting up a body in emulation of the American "public utility commission," that is, a representative body of consumers. Our situation is deplorable in the sense that industry does what it wants while consumers have no rights whatsoever.

[POLITYKA] Do you want to encourage internal competition within the ministry and create your own public opinion?

[Bochniarz] I still am not sure whether a consumer body should be part of the ministry or should exist somewhere between the prime minister and me, but I would like to make it an extremely important body. I would like its members to be individuals who would protest loudly against high prices, against environmental pollution, etc. Whatever promotes competition and any criticism can only be of help to the ministry.

[POLITYKA] The opinion about your nomination is divided. I have already mentioned the favorable comments. Let us consider the unfavorable ones. Is it right for the head of a ministry to be the director of a consulting firm which has received a substantial fee from the government for drafting for it a nationwide privatization program? Is not this morally tainted?

[Bochniarz] If my company was commissioned to do a job by the Ministry of Ownership Transformations, that was on the basis of some objective assessment. As the chairperson of the Association of Consultants I have always fought for lucid bidding standards, and it is not my fault that they still do not exist. I therefore believe that the prime minister has offered me this post precisely because we executed the government's commission so

efficiently. To me, therefore, the sequence of events is as follows: We received the commission and executed it well, and this convinced the prime minister that I am capable of accomplishing something more. I am aware, of course, of being controversial, and in deciding to entrust this post to me the prime minister was aware that my nomination would stir diverse emotions. But he took the risk.

And as for the argument that I was the director of that company (a post which I now have resigned in conformity with the law, on making public the value of the shares I own in the company), for me that is something to be proud of. Besides, I believe that this is the avenue through which nominees to high government posts will arrive in the future, and that we should become accustomed to it. I am aware that I have to tread cautiously in view of the explicit conflict of interest between what I used to do and what I shall be doing now. My company may even suffer owing to the fact that I have become a government official. After all, I intend to undertake many restructuring measures and that company shall be excluded from participating in them. I shall try to build that "Chinese wall" which exists between public and private interests in Western countries. But I am aware that I shall not avoid suspicion.

[POLITYKA] Were you not afraid to take on your shoulders the burden of the bankrupt Polish state industry?

[Bochniarz] I was and still am. That is why I shall try to halt the ongoing decline, or at least to prevent its further acceleration. Nowadays in Poland there is no control over processes of receivership. As a result, given our ignorance of the foci and extent of the threats, the enterprises falling into bankruptcy may include some that, being indispensable, would have to be reestablished in the future at the expense of considerable trouble and money. But I cannot do anything unless I have complete information at hand and can identify all the related problems. That is why to me the most urgent matter is to draw up the map of our industry and its perils.

[POLITYKA] Thank you for the interview.

PLL LOT Purchase Deals for MD-80's Defended

91EP0649A Warsaw TYGODNIK SOLIDARNOSC in Polish No 29, 19 Jul 91 pp 1, 10, 11

[Article by Dorota Maciejka and Jacek Nowicki: "Who Is Afraid of the MD-80?"]

[Text] On 4 June 1991, a letter of intent was signed with the firm McDonnell Douglas [MDD] regarding the purchase of eight to nine MD-80 passenger planes. A month later, a letter of intent was signed with the Mielec WSK [Transportation Equipment Plant] regarding the production of 19 parts and six subassemblies for the MD-80. This may mean the survival of at least a portion of our fairly modern aircraft industry. Aeronautics industry experts felt that the signing of the letters was a success.

Hence, it came as a shock when an article entitled "The Foundling," written by Wojciech Kiss-Orski and Wojciech Markiewicz, was published in the 26th issue of POLITYKA. The article compares the decision to sign the letter of intent with an agreement concluded during the Gierek period with Berliet and with earlier methods of steering the economy "by hand." Piotr Nehring's article "LOT [PLL LOT—Polish Air Lines] in a Fog," which appeared in issue No. 160 of GAZETA WYBORCZA, was another surprise. According to both articles, the MDD planes are obsolete and are unsuitable for our carrier. Such information leads the reader to make only one possible conclusion: Once again someone took a bribe and a decision was handed down that threatened the interest of the state. It is scandalous! The authors of "The Foundling" claim that even the director of LOT, Bronislaw Klimaszewski, does not know who made the decision to purchase the MD-80.

Meanwhile, the letter of intent was signed by the LOT director, in the presence of Minister of Transport Ewaryst Waligorski, Deputy Minister Boguslaw Liberadzki, United States Embassy Representative Michael Hornblow, and MDD Vice President for International Marketing Affairs Viesturs Zommers.

What Should Replace the "Tupolevs"?

PLL LOT is gradually eliminating Soviet planes. This began at the end of 1988. The second—9 May 1987—catastrophe of the infamous Iliushin IW-62 type aircraft (the first one occurred in 1980) and, above all, perestroika in the USSR facilitated the decision to purchase three modern long-range aircraft (the Boeing 767-200ER and 300ER) in the United States.

In 1990, French-Italian ATR-72 planes were purchased. These were to replace the An-24, the TU-134A, and the IW-18, which ran on short and medium-sized airways and were suitable only to be scrapped. The choice proved to be a total disaster. The ATR-72 turbo-helicopter is too large for short (domestic) airways; on medium-sized airways it cannot compete with jet aircraft because it is too expensive and too slow.

The time has finally come to trade in the fleet of 14 TU-154M medium-range aircraft, which fly on the LOT lines within the compass of Europe, North Africa, and the Near East. This is relatively new equipment, purchased over the past several years. The technical parameters of this equipment, however, do not permit its utilization within an economy freed of socialist illusions (for example, the illusion regarding subsidized fuel prices). After the introduction of new regulations in EEC countries restricting noise levels and the content of toxic gasses in furnaces, the Tupolevs will not be able to land in most West European airports. Moreover, LOT must pay in dollars for spare parts for the Soviet equipment, which is continually in need of repair, and it must wait for months for this equipment to be delivered.

Meanwhile, Prime Minister Jan Krzysztof Bielecki's decision announced at the beginning of 1991 regarding

the planned privatization of LOT necessitates that effective action be taken aimed at the rapid modernization of the fleet of planes. Such modernization will increase the value of the fixed assets of the enterprise, thereby increasing its attractiveness to future stockholders.

A Hard Choice

In today's world, the purchase of airplanes does not pose a problem, especially for wealthy airlines. Moreover, it is also possible to merely lease such planes for a certain price. But LOT, like the entire Polish economy, does not have a cash surplus from which to draw. According to Bronislaw Klimaszewski, the best solution would be to purchase used planes. However, Director Klimaszewski cannot make a decision autonomously. This is so, in the first place, because LOT is a state enterprise and secondly because it needs governmental credit guarantees. A group of experts decided to purchase planes directly from the production line. Such a form of purchase guarantees service, spare parts, and the training of crews and technical servicing. An agreement was likewise made tying in the trade offering with a proposal for cooperation with the Polish air industry.

Three producers presented bids: Airbus Industrie—a consortium of aircraft firms from the countries of Western Europe and two firms from the United States: Boeing Company and the McDonnell Douglas Corporation. The Europeans proposed their newest big hit—the fully computerized Airbus A320, an extremely modern aircraft constructed in the 1980's. The Americans proposed two types: the Boeing 737 and the McDonnell Douglas MD-80. The basic design of both of these planes is from the 1960's, but it was thoroughly modernized in the 1980's so that it now meets the current requirements set for transport planes.

During the talks that preceded the signing of the letter of intent, only McDonnell Douglas proposed initiating the production of structural components in Warsaw or in Mielec. It also proposed setting up an authorized warehouse and MD-80 and DC-9 series aircraft servicing center at Okęcie. This would be a joint venture between LOT and the other users of MDD equipment in Europe. Neither Airbus nor Boeing made such proposals.

Only MDD committed itself to granting 100-percent credit and to supplying five planes by the end of March 1992. For comparison's sake, Boeing agreed to supply five planes by March 1993 and Airbus agreed to supply them still later. This means that the first planes manufactured by MDD could already be flying under LOT colors during next year's summer peak season. Choosing another offering means extending the use of the Tupolevs for at least another year.

The Entire Industry Takes Precedence Over LOT

In the opinion of the experts, the possibility of coproducing with the Americans is particularly valuable. The Polish airline industry is at a relatively high level, but it lacks orders and modern licenses, and the breakdown of

trade with the Soviet Union may cause it to go bankrupt soon. It seemed justified to everyone that the primary concern is to save the industry, and thus to sign a contract with the producer who is providing work and is not only selling his products. Director Klimaszewski also concurred with this position and wrote in a letter to Prime Minister J.K. Bielecki: "In my opinion, it is not LOT, but the airline industry in Poland which has the most to gain. From our viewpoint every choice will be a good choice." But he added that for him time was of the essence.

The decision to sign the letter of intent with MDD was made by a team composed of representatives of the Ministries of Industry, Transport, Finance, and Ownership Transformation (because the process of privatizing LOT had been initiated), the Central Planning Office, the Main Inspectorate for Civil Aviation, the National Security Council, and experts from the airline industry and civil aviation industry. As Dr. Jan Steckiewicz, one of the experts overseeing the reconciling of interests between the airline and the Ministry of Industry, stated: "It was not a group of persons who did not understand the nature of the decision they were making. The choice of people was not an accident and everyone had an opportunity to become familiar with the analysis of the three producers." They were all interested. The idea was not to repeat the mistake that was made during last year's purchase of the ATR-72. Director Klimaszewski, who was asked to give his opinion, took part in the final phase of the meeting.

Director Klimaszewski did not express any reservations regarding the planned signing of the letter of intent with McDonnell Douglas. He even was to have said that every choice is good and it is like being confronted with the dilemma of what to drive: a Volvo or a BMW? As Minister Maciej Zalewski from the National Security Council said: "If the director of LOT had expressed any doubts, we certainly would have refrained from making a decision. We could still meet even 10 times and go over everything again, but no one had any doubts."

In a private conversation the LOT chief said that the text in POLITYKA is not true, but since he did not authorize the article he does not plan to deny anything. But in an interview which appeared in ZYCIE WARSZAWY five days after the article was printed in POLITYKA, he again complained about the unknown forces that made the decision behind his back. When queried about the disparity between the cited facts and his own version he said: "In a certain sense, I was presented with a fait accompli because no one—neither I, nor the technical or financial director—was invited to this hastily organized committee. And I signed the letter of intent based on the principle that it was my duty to do so. It is my intention not to repudiate McDonnell Douglas but the procedure used to settle the matter."

On the other hand, Minister Zalewski says: "No one put time constraints on Director Klimaszewski to respond or prevented him from calling in additional experts."

Deep Concern

On 1 July, nearly a month after the letter of intent was signed, Director Klimaszewski sent a letter to the prime minister in which, as he says, he expressed his deep concern: "If in fact, as has often been the case, this whole package of promises made by the manufacturer is in reality only partly implemented, the industry will not gain at all and LOT will be stuck with the oldest type of plane."

For this reason, the LOT chief is demanding that the prime minister provide information on the extent of the results of cooperation with MDD in the Industry and the Defense Ministries. He explains that he is being pressured by the industry lobby on the one hand and by LOT's technical services on the other.

Nothing has been decided as yet. The letter of intent is not a preliminary contract and it can be revoked (especially since it did not contain a clause on reimbursing costs incurred, nor was any vadium paid). One purpose of signing letters of intent is to oblige a contractor to specify his promises and to force other firms to present more favorable offerings. To some extent this goal has already been achieved! After the letter was signed, the other firms (Boeing and Airbus) also proposed granting 100-percent credit.

In the Realm of Fact

The POLITYKA article presents false and incomplete data. The authors claim that the design of the MD-80 is from the 1960's and they are enchanted with the Boeing 737, calling it a "Volkswagen for Polish roads." But they do not say that the Boeing 737 was likewise designed at the same time (the first flight was on 9 April 1967, two years after the DC-9-10, the oldest version of today's MD-80). Evidently they are not aware that the planes manufactured by the two American aviation industry giants have continually been modernized. The only connection between the DC-9 of a quarter-century ago and today's MD-80 is the external appearance of individual components of the body. In addition, in the 1980's, the design of the "old" Boeing 737 and DC-9 frames was used as the basis for the development of planes equipped with new-generation engines (which are quieter and more economical and emit fewer toxic gasses) and of ultramodern electronical on-deck equipment.

We learn from the POLITYKA article that of the three planes under consideration, that "either way, only the MD-80 is a narrow-body plane." The Boeing 737 and the A320 Airbus likewise belong to the category of narrow-body planes. The A300/310 Airbus, the McDonnell Douglas DC-10, and the Boeing 747, for example, are wide-body planes. Therefore, let us not confuse the basic concepts. In essence, the MD-80 body is narrower than the body in the planes of other competitors (61 cm narrower compared with the A320 and 42 cm narrower than the Boeing 737). This accounts for the smaller number of seats per row in the MD-80 (it has five, while the other two planes have six). But when the plane is

80-percent full (which is quite often the case), the smaller number of seats in a row provides more comfortable conditions for passengers.

The argument that the MD-80 has "the lowest cargo transport capacity, whereas all aviation associations are giving more and more attention to cargo transport" is utter nonsense. Hence the narrow-body passenger airplanes (including the A320) used on European lines carry only passenger baggage in the subdeck hold. If a carrier decides to transport containers of cargo he either transfers a wide-body plane to a given line (passengers are on the upper deck and baggage and cargo are on the lower deck), purchases combination-type planes (the upper deck has a separate cargo compartment), or puts cargo planes into service.

The opinion expressed about the manufacturer of the MD-80 is very odd. We read in POLITYKA "The future of this firm seems murky and uncertain." The GAZETA WYBORCZA text confirms this information. Meanwhile, McDonnell Douglas is one of the few top producers of civil and military aviation equipment in the United States. In the field of transport planes, programs for building a narrow-body MD-90 and a wide-body MD-11 and MD-12X are in full implementation. The F-15 "Eagle" fighter plane (one of the two basic types of United States Air Force store of armaments), the F-18 "Hornet" (recently a contract valued at \$2 billion was signed to supply 34 planes to Switzerland), the ALH-64 "Apache" storm helicopters (best in their category), and the C-17 military transport planes are all produced in the MDD plants.

Based on the POLITYKA article one may conclude that only the future consumer, PLL LOT, should decide about the purchase of the new planes. Obviously, the analysis done by LOT's technical services was considered. But this analysis apparently also showed (the documents are strictly secret!) that only Boeing and McDonnell Douglas aircraft meet the needs of LOT's technical services and it stated that the quality of MDD's offerings is better. The technical director of LOT, W. Metelski, said this at an 30 April 1991 press conference. But planes are not purchased for the pleasure of pilots, mechanics, or even the airline management. Economy, safety, and the comfort of passengers are the primary considerations.

Then why did POLITYKA and GAZETA WYBORCZA create such an informational maelstrom, misinforming people and stirring up their emotions needlessly?

TRYBUNA SLASKA Purchase Explained

91EP0653A Katowice TRYBUNA SLASKA in Polish
19 Jul 91 p 1

[Article by Tadeusz Biedzki, editor in chief of TRYBUNA SLASKA: "What Happened at TRYBUNA?"]

[Text] Readers have been asking us the following questions: What happened at TRYBUNA, who is its new

publisher, why was the editor in chief replaced? As the chairman of the company publishing the newspaper and its new editor in chief, I owe an explanation. TRYBUNA, as other papers earlier and as the whole economy, has entered the stage of privatization.

The Upper Silesian Press Association, which is leasing TRYBUNA SLASKA right now and is about to buy it in a few weeks, is a company composed of five social organizations: Union of Upper Silesian Gminas, National Fund for Environmental Protection, Upper Silesian Economic Society, Regional Chamber of Commerce, Upper Silesian Union, and of five private firms: "Prinzbud 1" of Swietochlowice, "M and S" Co. from Gliwice, Katowice Consulting Office "Ksiaznica," the Upper Silesian Commerce Bank, and "Euromarket" from Siemianowice.

Our main competitor, which the previous editor in chief had opted for, is a company dominated by the French press corporation "Hersant." Both the editorial staff and the RSW [Worker's Cooperative Publishing House] Liquidation Committee unanimously decided that a newspaper like TRYBUNA SLASKA cannot lose its independence by going into foreign hands. I trust, dear readers, that you are of the same opinion.

TRYBUNA in the hands of regional organizations and firms will be a newspaper presenting the world, Europe, and Poland through the prism of problems, needs, and interests of people living in Silesia, in the Upper Silesian Coal Basin, the Lower Beskid region, and the Czerwona region. It will care about our problems and our local interests. It will definitely be a regional paper. It will not, however, be provincial. On the contrary, we are prepared to make it a European paper—modern, computerized, well informed, interestingly edited, bold, and independent.

We will soon make it more attractive. Texts will be shorter, more interesting, better edited. You will see the difference yourselves soon, I trust. I also believe, dear readers, that, as before, you will support us, you will point out our mistakes, you will criticize us, and you will express your appreciation for what you like. Your opinions are priceless to us and, as never before, needed. TRYBUNA SLASKA will be successful, after all, only if every reader feels it is his or her paper, that it is a paper close to him or her. I trust this will be the case.

Attitudes Toward Ethnic Minorities Surveyed

91EP0647C Warsaw RZECZPOSPOLITA in Polish
18 Jul 91 pp 1-2

[Article by Pawel Kuczynski: "Attitudes Toward Ethnic Minorities"]

[Text] More than one-fourth (27 percent) of Poles believes that antipathy toward minorities and ethnic groups in our country comes from a feeling of injustices suffered at the hands of other nations. The second most common reason mentioned is "minorities' possession of

too much influence and property" (16 percent). For 13 percent, the source of antipathy toward minorities is the dissimilarity in religion and customs of those groups. Such are the results of a survey conducted for RZECZPOSPOLITA by Demoskop on 13-14 July in a national sample of 938 adult men. To a question about personal contact in daily life with people from one of the ethnic groups (Belorussians, Gypsies, Lithuanians, Germans, Ukrainians, or Jews), 39 percent answered affirmatively; 15 percent [said they had such contact] often; and 24 percent, rarely. An additional 12 percent supposes that [such contact occurs], but "has not thought about it." Somewhat fewer persons surveyed have had the opposite experience of frequent contact with minorities: 13 percent never has contact with them; 18 percent has such contact only sporadically; while 8 percent answered "probably not, but I don't think about it." Finally, nearly 10 percent does not pay attention to [this issue]. After the Mlawa affair returns the question: How much is the consciousness of Poles susceptible to negative ethnic stereotypes? Will the consciousness of the presence of various ethnic groups, suppressed for years, manifest itself upon its release primarily in the form of antipathy to those who are alien? Our study did not provide strong arguments for the supporters of this thesis. It did reveal, however, great differences of attitudes and opinions on this question—a question which is not a neutral one, awakening emotions virtually all over the world. Over one-third of Poles (37 percent) states that none of the ethnic groups mentioned earlier behaves, in our country, in a way which provokes enmity of those around them. Another 13 percent has no opinion on this issue. Exactly half states that there is an ethnic group which provokes enmity through its behavior, pointing to Gypsies (22 percent), Germans (12 percent), Jews (8 percent), Ukrainians (4 percent), Belorussians (1 percent), and Lithuanians (1 percent). It is worth adding that, in comparison with research with similar questions conducted by Demoskop for Freedom House in January, we recorded a similar order and level of ethnic prejudices in Poland. Stereotypes of this sort thus seem to be durable and—as is their nature, after all—are usually not receptive to experience. Our survey confirms this rule. The frequency of contacts with people belonging to one of the ethnic groups mentioned does not have a significant influence on the antipathies felt. They are, however, dependent on other factors. For example, prejudices toward Gypsies depend to some degree on age. Older people have fewer such prejudices than do younger people (28 percent of the youngest age group, versus 15 percent of the oldest group). The greatest percentage of people ill-disposed toward Jews, in turn, is among residents of smaller "large cities" (of 20,000-100,000 residents) where, after all, 30 percent describe their daily contact with representatives of minorities as rare, and 14 percent report frequent contacts. Generally speaking, middle-aged groups (from 25 to 44 years of age) seem the most open in matters of ethnic minorities. One-fourth of the residents of Poland consider the adaptation of minorities to their surroundings to be the most effective means of preventing such

conflicts as the one we witnessed recently in Mława. Nearly one-fourth points here to the role of the Polish school as a place for the formation of respect toward minorities. Other solutions have fewer supporters, but these are significant groups. Each constitutes about 10 percent of the population: supporters of isolation of minorities; of guaranteeing civil rights for minorities; of the establishment of punishments for all signs of aggression toward minorities; those who see no effective means; and those who have no opinion. Taking into consideration as well the division of opinion on the

question of guaranteeing ethnic minorities their own seats in the Sejm—48 percent are for such guarantees, and 40 percent are against them—it can be clearly seen that, though Poland is not a country in which ethnic minorities make up a large percentage of the population, relations toward them is one of the key social and political questions. Leaving aside all other aspects of this complex and important problem, it is worth keeping this fact in mind in the preparations for the election campaign—whether [one will be taking part] in an passive role, or in an active one.

Pucnik on His Role in Demos, Peterle's Government

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[Interview with Demos leader Joze Pucnik by Miran Lesjak; place and date not given: "Even Replacing Peterle if Necessary"—first paragraph is DELO introduction]

[Text] The head of the ruling coalition and the most controversial Slovene politician talks about his political role, games in Demos, Peterle's government, Janez Jansa, and Bavcar as the unevaluated former member of a new government cabinet. We were only unable to get an answer to one question: What is this politician preparing for us again after the surprise with the plebiscite?

[Lesjak] A year and a half ago, you were the leader of the opposition, the head of Demos, and a presidential candidate. Today, those who are sitting in the state bodies and in Parliament have the authority and the influence. What sort of role do you have, what have you lost, and what have you gained?

[Pucnik] My role is the same one as before: activity on the political scene. My influence on many specific issues, however, is relatively small. It depends on the functions that I have or do not have. In comparison with the period that you cited, I am very much in the background, but the nature of the work I am doing is similar to the nature of the work I was doing then. Being in the background is neither a gain nor a loss. It is part of how I see myself in politics. I did not go into it in order to make a political career, but rather out of conviction, out of a desire to have changes happen in Slovenia. I hope that I have been partly successful in this. It is important that certain views of the situation remain a reality, regardless of the price that I have to pay for that in terms of my public standing. I have frequently had to act in public like a rogue who throws stones at display windows, because it was necessary. That means that part of the burden of that roguishness remains associated with an individual. These are things that have to be accepted.

[Lesjak] Would a claim that you are Demos's gray eminence be justified?

[Pucnik] A gray eminence has to have much more influence than I do now. The public overestimates my influence in Demos. I am a culprit out of conviction, a person who is also prepared to pay a high price for launching changes in society. I know exactly how I ought to behave in order to be as popular as Marojevic or Grubelic. Of course, you cannot get anything for free: either you remain behind what is happening and try to "cash in" on what others have achieved by ramming their heads into a wall, or you ram your head into the wall yourself and hope that you will reach the bricks, break through them, and make a passage. I would rather be popular, too, just not at any price.

[Lesjak] Is Demos, as it is today, the same as the one that you headed last spring?

[Pucnik] No, it is not the same. There is a taste of authority in it that was not there before. There is much more realism in it with respect to its influence in society, and consequently the decisions that Demos adopts are also precisely calculated and weighed from that standpoint as well. It is not just a matter of authority, but also always of the authority and influence of an individual party. That is why coordinating everything that is happening is a somewhat more complicated task. The Demos council is always asked for an opinion whenever certain disruptions occur in the official mechanisms, but when everything is working well, no one thinks about it. As far as our party is concerned, the council has the role of a fire extinguisher. Demos is maturing. The antagonisms within it are no longer as great as they were in the beginning, only their nature is different. A feeling and sensitivity to the factor of power is developing, and people are learning how to use it in their mutual relations. That is typical of the emergence of a pluralist political system.

[Lesnjak] Is it possible that Demos will mature into one party, a Demos party?

[Pucnik] That seems almost impossible to me. I am counting more on Demos's fulfilling its task. Either it will change fundamentally, or it will collapse. Currently that danger does not exist, because the alternatives for all the parties are too risky. Authority is not something that you acquire and you have, but rather an instrument, a technology for promoting specific items in a program.

[Lesnjak] Does it seem that Demos still exists only in order to protect the government's back?

[Pucnik] This government cannot exist unless the Demos parties protect its work politically. In spite of that, the criticism of the government that is coming from the Demos parties is at least as harsh as the opposition's criticism. It is just not as public.

[Lesnjak] Judging by recent events, you are even harsher than the opposition.

[Pucnik] Sometimes even harsher. We are not lenient toward each other, and that is where our stability lies. If we hid anything from each other, we would soon fall apart. The fate and reputation of the Demos parties on the political scene depend upon the government's success. If the government's work is poor, that means gradually preparing for the defeat of the parties in the coalition. We are linked to that government by fate, and that is why we are interested in increasing its efficiency, since the next elections will probably come sooner than some people would like. The opposition's intention is to form a negative image of the government, and our policy is to create a positive image for the government, and thus to be concerned with increasing its effectiveness at any cost.

[Lesnjak] Nevertheless, it is still difficult to believe that Demos will go into the next elections as Demos.

[Pucnik] I do not believe it either.

[Lesnjak] Then why are you still worried about the image of the government and Demos?

[Pucnik] When the Social Democratic Party goes into the elections, Slovenes will know that at one time it was part of Demos, which set up the government. Criticisms of the government's failures will also be directed at us, the Christian Democrats, and so forth.

Otherwise, it is possible that any of the parties may leave Demos at any time. It is enough for one of the sufficiently powerful Demos parties in Parliament to demand a vote of confidence in the government; the opposition will support it, and there will probably be a vote of no confidence in the government. Each of the Demos parties knows that it can do this, but so far none of them has done it yet. All the parties are calculating what kind of effect such an action would have among the public and in future elections. That is part of the political culture that is emerging here: In spite of dissatisfaction, for purely pragmatic reasons, you support something that is not perfect, but is the best possible. That is not opportunism, but rather pragmatism, which helps things to be clear and normal. Politics is a "business" affair.

[Lesnjak] What have you Social Democrats accomplished in that "business"?

[Pucnik] We have accomplished very little. The economic and social complex is one of the areas of government activity in which the least has been done. Reform of the economic system has not yet occurred, and the social consequences are in accordance with that. We have gained, because as a young party without political experience we became involved in the activity of governing. We are, if you will, a state-creating party. It is also positive that Slovenia is moving toward independence. We have also striven for that. The policy of Slovene independence was determined and dictated by Demos, and we Social Democrats and I personally were also actively involved. Others took it up, and that is good for Slovenia.

[Lesnjak] Are you convinced that it is wise to boast that Demos dictated the independence procedures? Specifically, the government is being criticized because it did not do what it should have in connection with independence, and we still have many holes.

[Pucnik] I am talking about politics, about the directions of political development. Two years ago, today's opposition was still demanding pluralism within the Socialist Alliance. Don't forget—Kucan, Ribicic, Smolec, all of them were talking about that! Kucan and Ribicic were explaining the asymmetric federation. We will not forget that.

It is true that the government has neglected a great deal in its preparations for independence, but it is also true

that it has done a great deal. The fact that everything went as well as it did during the attempted occupation is not by chance. Something has been done, and what happened, happened under strong influence from the Demos group as well. To be sure, I criticize the government for delaying reform of the economic system for at least a year. Nothing has been done in the area of reforming the judicial system. The state administration has remained as it was. In the constitutional law area, there have been opportunities to eliminate the tricameral system in the Assembly. Perhaps that would not have been quite correct legally, but it would have helped with the amendments. In short, we were too slow, we talked too much, and we took too few measures.

[Lesnjak] With respect to such specific problems as social issues, it is not enough to speak in the first person plural. Who is responsible for what has not been done?

[Pucnik] I can give you a very specific answer to that: The responsibility for the present economic situation lies with the regime that ruled for the past 15 years. It is not possible to reform an inefficient economic system into an efficient one in a year or two.

[Lesnjak] But it is no longer possible to blame everything on the Communists. Privatization is not their affair, and neither is the imposition of new taxes.

[Pucnik] Of course. Our mistake is that we did not start privatization as early as a year ago. If we had, we could already be completing it today and adjusting it daily. Nevertheless, some progress has been made: for example, the development of small business. To a great extent that is still the basis for a dignified standard of living in Slovenia. All sorts of things are supplied by it, and not through the large enterprises, which are operating at a loss. To be sure, it is possible that we waited too long, because we thought that we would discover the objectively correct path toward development. I am constantly criticizing the government for this in the Demos council.

[Lesnjak] And what answer do you get?

[Pucnik] That of course it did not start, and that Parliament was too slow; it tries to find a culprit elsewhere. That is typical of such matters, instead of making decisions more quickly.

In principle, I support this government, and I also defend it; but I think that it has made several mistakes. More systematically than before, I would say that there are three levels of problems. The first is the administrative structure, a system that is not efficient. The government is too big, but it has not done anything in that area. The second problem is the organization of the ministries' work. The ministers who have not had any such previous experience are at the mercy of the apparatuses, which deliver everything to their desks, and they have to make a decision. If someone sits in meetings for 24 hours a day, he is not able to think about the strategy of the ministry and coordination among them. The third thing

is personnel problems. Unfortunately, I do not care to name individuals, but certain ministers are such that they do not perform their work efficiently enough.

[Lesnjak] Nevertheless, in the end we can reduce all three of those reasons just to the personnel one: If someone is not capable of organizing an apparatus, if he does not know how to allocate work, he is clearly not competent for a ministerial post, and he has to leave.

[Pucnik] I agree. That is why the prime minister is very harshly criticized at our meetings. He bears part of the operational responsibility, but part of the responsibility also falls upon the entire Demos council. The consequence of this is that we have recently gone much further in our proposals about reorganizing the government. Only, it is too simplistic to judge the situation in terms of individual people. A good minister cannot do much in a bad system. Inefficiency is certainly characteristic not only of the government, but also of Demos as a whole.

[Lesnjak] Why have you, as the head of Demos, not proposed what Janez Jansa did, namely, the replacement of the government?

[Pucnik] We have thought a great deal about that. There were two alternatives: either going into that with a proposal worked out in detail, and after talks with the party leaderships, or doing it by means of shock therapy, with surprise, and all at once. Upon the realization that a coalition of six parties is a very complicated matter and that it is difficult to introduce such radical changes by gradual negotiation, the second alternative came to be used. The assessments of the government's work that appeared were individual ones, separate, but were rather similar to each other.

[Lesnjak] How did you view Jansa's proposal: was it adventurism, an ill-considered move, or a bold proposal?

[Pucnik] Perhaps none of those labels is quite appropriate. In a certain sense, it was a bold move, which was based on an analysis of the situation and predictions of where Slovenia would find itself in the next few months. That was the basis for the assessment that we need as efficient a government as possible, and that was the basis for this radical proposal. Jansa's proposal really was bold and honest. I sharply reject the interpretations that the defense minister wants to cash in on his successes in politics after winning the war. Anyone who says that does not know Janez Jansa. I am not saying that there are not such politicians in Demos as well, but Jansa is not one of them. His proposal was useful. Although Demos did not accept it, it at least gave rise to a certain event that will—I hope—lead to partial changes.

It is also possible to remove Lojze Peterle against the will of his party and without his consent, with the aid of the opposition as well. Within Demos, however, things are such that any party with veto powers can prevent fundamental changes. The parties' power is very great.

[Lesnjak] It seems to me that you are in a schizophrenic position: on one hand, you support the government, but on the other, you, as a Social Democrat in Demos, supported the proposal to replace the government. How does that go together?

[Pucnik] I am in favor of thorough reform of the government, and if necessary, in favor of replacing its prime minister as well. I am in favor of replacement if that would contribute to a more effective government and if it could be coordinated within Demos. If that is not possible, then it is still the government that I am supporting. Because of program and other goals, all possible ones, I could not support Mr. Ribicic's government if he were to put one together. This government is not useless, but it is still very far from being perfect. We will probably never have a perfect government, but we can have an effective one. No politician in Demos is untouchable.

[Lesnjak] Isn't it characteristic that these days Demos has been talking more about the effectiveness of the government, the technology of its work, than about the government's platform and policy?

[Pucnik] No. In the beginning we analyzed Slovenia's situation and the progress of Demos's project in accordance with our campaign promises. The assessment was that the situation is serious and that Slovenia has to take decisive steps. We thought that the European Twelve would try to propose an extension of the moratorium, and that international troops could come to Yugoslavia if the violence in Croatia and Bosnia-Herzegovina increased. The political purpose of all that could also be to preserve Yugoslavia, which would be contrary to Slovenia's position. We decided that we had to be extremely sensitive, flexible, and efficient. In all likelihood—and this is also my view—we will again have to take some very original and unexpected steps if we want to extricate ourselves from the planned gradual suppression of Slovenia's independence.

[Lesnjak] What are you hinting at?

[Pucnik] I do not want to say anything about that.

In any case, we have to have a very flexible and dynamic state leadership. We are joining the European game, and it is necessary to play it with European cunning. That was the starting point of the whole discussion, and then came talks on how to do it.

[Lesnjak] In such a situation, would Igor Bavcar be a more acceptable prime minister?

[Pucnik] I think that he comes into consideration. Bavcar would probably have to prove that he can carry out coordination within the ministries more quickly and more efficiently than Lojze Peterle has done to date. A consequence of an assessment that Bavcar would be quicker, more efficient, and a better manager would be support from my party's representatives for Jansa's proposal.

This is not a matter of having anything against Jansa. I am far from being one of those who reject him on the grounds of clericalism. I do not believe in that at all. In my opinion, Lojze Peterle is just as hostile toward clericalism as any other member of the leadership of the Slovene Democrats. In general, the danger of an introduction of clericalism today is incomparably smaller than some people would like to portray it. The church cannot permit itself this, because it knows what a double-edged sword it is.

[Lesnjak] Aren't you playing a very dangerous card now? Isn't taking the government away from Peterle very dangerous to the survival of Demos?

[Pucnik] We would not take anything away from anyone. Changes in offices are not anything tragic. It is something that is ordinary in a democracy. But it is true that it is not possible to carry out such things against the will of one of the six Demos parties. If the Christian Democrats say no, then the answer is no. If any party acts contrary to the majority opinion, that is the end of Demos. That is the whole game, and there is no other. When and which party will go into that game and whether it will have calculated correctly in doing so, is an open question. Only elections can change the rules of the game and establish new relationships among the political forces.

[Lesnjak] Is there a hope or danger, however we may view it, that the Christian Democrats will also become involved in that game?

[Pucnik] If we were convinced that this was the only possibility for implementing the program that we presented, that could also happen. For the time being, I still do not see such a possibility.

[Lesnjak] Instead of replacing the government, you in Demos established a four-man commission. On what basis will the commission act and propose solutions?

[Pucnik] I can only say what I strove for. They ought to think about the proposals for reforming the government and organizing the individual ministries, and also about some outside proposals, which certainly would not be as radical as Jansa's. Our proposals will be within the framework of what can be carried out.

[Lesnjak] The SDZ's [Slovene Democratic Alliance] position is that the economic ministries are the most problematical, but the prime minister obviously has the most problems with the Greens. It is characteristic of the Demos parties that every one...

[Pucnik] ...finds mistakes the others have made. There are difficulties in all the sectors, except for security. We cannot say that all the economic ministries are bad. I have not heard any specific criticism of Dr. Ocirk. He is a practitioner, he knows businessmen, he has a feel for that whole scene, and he has already been in politics. I personally do not have any critical remarks to make at his expense, and not because he comes from our party. But there are others who see mistakes there or in other sectors of the economy. I have proposed that the prime minister present his own proposal for personnel changes if he thinks that they would be necessary. It is the prime minister's duty and right to act first; only then will we others act.

[Lesnjak] If you know what is wrong with this government, you also have ideas about what to change in it. Would you be prepared to enter the government?

[Pucnik] Yes and no—I do not know. I consider that an irrelevant question. I have already had those opportunities, but I did not take them seriously. I am thinking as a sociologist: Individuals' role in collective bodies is less than people think. It is necessary to make the structure in which individuals are working more efficient. If it proved necessary, and so forth, for me to enter the government, I could not oppose that for reasons of principle, because I do not have any such reasons. But I would not let myself be easily persuaded, either.

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